



**PUBLIC PROCUREMENT AND
DISPOSAL OF PUBLIC ASSETS
AUTHORITY (PPDA)**

**REPORT OF THE FOURTH PROCUREMENT
SECTOR REVIEW WORKSHOP HELD ON
7-8TH DECEMBER, 2004
AT SPEKE RESORT MUNYONYO**

JANUARY 2005

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ACKNOWLEDGEMENT

The Public Procurement and Disposal of Public Assets Authority wishes to thank all those who participated in the fourth Public Procurement Sector Review workshop. Individual attendance and input contributed immeasurably to the high level of the exchanges between participants and the recommendations put forward. The group discussions and presentations made the workshop more focused and thus successful.

I must acknowledge the role of those individuals who played an important part in ensuring that the review meeting was a success. These include:

CHAIRPERSONS OF THE PLENARY SESSIONS:

- Mr. Harman Idema, The Royal Netherlands Government.
- Dr. Paul Sagala, Association of Consulting Engineers.
- Mr. Richard Olowo, The World Bank.

CHAIRPERSONS OF THE GROUP DISCUSSIONS:

- Mr. Winston Manzi, Uganda Electricity Distribution Company Ltd.
- Mr. Silver Kangaho, Inspectorate of Government.
- Mrs. Linda Mugisha-Tumusiime, Directorate of Ethics and Integrity.
- Mr. David Kiyingi, Ministry of Education and Sports.

PRESENTER FROM THE DONOR COMMUNITY:

- Mr. Rogati Kayani, The World Bank.

PRESENTER FROM PROCURING AND DISPOSING ENTITIES:

- Mr. Patrick Mutabwire, Ministry of Local Government

PRESENTER FROM OVERSIGHT AGENCIES:

- Mr. Paul Beggan, Directorate of Ethics and Integrity

PRESENTERS FROM PPDA:

- Mr. Nigel Shipman, Technical Advisor.
- Mr. Julius Mulera, Director, Procurement Audit, Inspection and Investigations.

- Mr. Milton Tumutegyereize, Director, Training and Capacity Building.
- Mrs. Cornelia Kakooza Sabiiti, Manager, Legal and Compliance.

Rappotuer:

- Mrs. Hilda Kemigisha Mwesigwa

I wish to thank all the participants for their contributions throughout the workshop.

Edgar Agaba
Executive Director, PPDA

ACRONYMS AND ABBREVIATIONS

AO	Accounting Officer
CAO	Chief Administrative Officer
CID	Criminal Investigations Department
CPAR	Country Procurement Assessment Review
CTB	Central Tender Board
DLGTB	District Local Government Tender Board
DSC	District Service Commission
IG	Inspectorate of Government
IGG	Inspector General of Government
LGA	Local Government Act, 1997
LGDP II	Local Government Development Programme
LGFR	Local Government Financial and Accounting Regulations 1998
LGFIAS	Local Government Financial Information and Analysis System
LGs	Local Governments
LOGICs	Local Government Information Communication system
M&E	Monitoring & Evaluation
MoLG	Ministry of Local Government
NGOs	Non-Governmental Organizations
OAG	Office of the Auditor General
OECD	Organization for Economic Co-operation and Development
PCM	Project Cycle Management
PDE	Procuring and Disposing Entity
PPDA	Public Procurement and Disposal of Public Assets Authority
SBDs	Standard Bidding Documents
SWOT	Strength, Weakness, Opportunities, Threats
TI	Transparency International
TOT	Training of Trainers
UNABCEC	Uganda National Association of Building, Civil Engineering and Contractors
UNDP	United Nations Development Programme
WB	World Bank

EXECUTIVE SUMMARY

Two procurement sector review workshops are organised for stakeholders each financial year to report on the progress made in the public procurement sector. The first workshop in the financial year was held in March 2004. Recommendations were made during this sector review under the following main themes: Local Government procurement, capacity building, compliance and review mechanisms, benchmarks and evaluation and ethics in procurement.

The second procurement sector review workshop was held in December 2004. In the workshop, presentations were made by members of staff of the PPDA, the donor community, procuring and disposing entities and oversight agencies. The second day was for group discussions, presentations and formulation of new undertakings.

The main themes of the presentations were progress of the Aide Memoire benchmarks, development of the Procurement Audit Strategy, progress in the implementation of the Capacity Building Strategy, fighting corruption and Uganda's National Anti-Corruption Strategy, the Local Governments Amendments Bill and the level of compliance by procuring and disposing entities to the procurement reforms and issues arising.

Group presentations on day two also focused on the above main themes with particular emphasis on capacity building, corruption in public procurement, effective monitoring of compliance and improving local government procurement.

A new set of performance indicators were agreed upon in the group discussions and these form the undertakings for the next procurement sector review. These relate to:

- a) Harmonisation of Local Governments' procurement with the national standard;
- b) Implementation of the Capacity Building Strategy;
- c) Establishment of Contract Committees and Procurement and Disposal Units by all Procuring and Disposing Entities;
- d) Completion of the auditing strategy, extension of the audit programme and better coordination with other agencies;
- e) Display of statutory data on the PPDA's website; and
- f) Other undertakings including prequalification, procurement plans, storage, sensitisation on corruption issues.

The next procurement sector review will be held in May 2005 to report on the progress of the above undertakings and mapping of future undertakings.

CHAPTER 1: OPENING REMARKS, Mr. Edgar Agaba, Ag. Executive Director, PPDA

Development Partners,
Board Members,
Stakeholders,
Distinguished guests,
Ladies and gentlemen.

It is a pleasure to welcome you all to the 4th Procurement Sector Review Workshop since the commencement of the PPDA in February 2003. At each of the workshops, stakeholders are invited to take stock of what has been achieved and draw up strategies for the overcome the challenges and guide the Authority on the way forward. The last workshop was held in March this year in which progress of the implementation of the reforms was presented and discussed. In particular the last workshop highlighted benchmarks/actions which were of particular importance for the success of the implementation of the public procurement reform programme. The actions for further reform included harmonisation of the central with the local governments procurement system, implementation of the capacity building strategy, carry out compliance assessment review, develop an audit strategy , implement the performance monitoring module developed by the OECD/DAC and the World Bank and above all draw up a medium term Corporate Plan for the PPDA.

a. HARMONISATION OF LOCAL GOVERNMENT PROCUREMENT WITH THE PROCUREMENT ACT

It is a legal requirement that local government procurement should be harmonised with the national standards as reflected in the PPDA Act. As a first step, the relationship between the Local Government Act and the PPDA Act should be clarified. Suitable regulations for application to local government have already been prepared and are in draft form. We hope that proposals for amendment of the Local Government Act will be tabled before Parliament before the close of this financial year. In the meantime we shall continue to sensitise local government staff on the standards at central Government. A presentation on the proposed amendments to the Local Government Act will be made during the Workshop. We expect future actions on this particular issue.

b. CAPACITY BUILDING STRATEGY

The Authority is implementing the national capacity building strategy developed and agreed upon in the last workshop. During this financial year over 2,000 staff of central government and statutory bodies participated in training sessions on 7 modules covering the main aspects of the new public procurement system. Participants were trained in the institutional framework, procurement and disposal planning, writing specifications, evaluating bids, contract management, disposing of public assets and Incoterms 2000. I am pleased to report that the level of attendance on these training courses has improved and the knowledge gained has lead to efficiency in the management of the procurement and disposal

function. The training programme for PPDA staff in the 7 modules has been completed, though a programme of knowledge and skill development will continue internally. To expand capacity to meet the increasing demand for training of central and local government staff involved in procurement, a "Training of Trainers" programme has been drawn up. This will identify public and private institutions that would be capable of conducting training programmes of a high standard in public procurement and disposal practice and we will train staff in these institutions to build up their expertise. The PPDA will also be involved in the developed of appropriate curriculum for use by both private and public learning institutions in public procurement. Detailed actions undertaken under this activity will be presented today for discussion and review.

c. COMPLIANCE ASSESSMENT OF CENTRAL GOVERNMENT PROCURING AND DISPOSING ENTITIES

In accordance with the mandate to set standards and monitor compliance, the PPDA as a first step carried out a compliance assessment exercise of 100 central government entities. The compliance assessment exercise was completed in August 2004. A has report on the extent of compliance with the provisions in the Act and Regulations has been prepared for presentation you. It found that 62% of central government procuring and disposing entities and statutory bodies were compliant to the extent of having in place a Contracts Committee and a Procurement and Disposal Unit. The detailed findings of this exercise together with the PPDA's recommendations will be presented to this Workshop. All Entities have been informed of their compliance status. We are also preparing to launch the National Providers Register and to institute arrangements with procuring and disposal entities to publicise on our website (www.ppda.go.ug) information on bid opportunities and contract awards. The PPDA is in the meantime enforcing the legal provisions of the Act and the Regulations.

d. AUDIT AND INVESTIGATION

Several cases for investigation have been handled and we continue to carry out routine inspections of procuring and disposing entities. Since its inception, the PPDA has finalised 4 audits which includes the Ministry of Water, Lands and Environment and Ministry of Education which recommendations have been made to the Accounting officers. The audit reports on two other big entities, the Ministry of Health and the Ministry of Agriculture, Animal Industry and Fisheries have been completed and are awaiting discussion with the entities concerned. The PPDA is in the final stages of completing audits of Mulago Hospital and National Medical Stores. Several entities have been inspected which includes hospital of Jinja, Hoima, Fortportal, Gulu University. The PPDA intends to step up its audit and inspection function. Detailed actions undertaken under this activity will be presented today for discussion and review.

e. MONITORING AND EVALUATION

We intend to develop our performance monitoring system up to international standards. Last week I attended a Roundtable in Johannesburg organised by the Development Assistance Committee of the Organisation for Economic Cooperation and Development (DAC/OECD) together with the World Bank at which four baseline indicators have been agreed upon. The four baseline indicators include:

- a) The legislative and regulatory framework;
- b) Institutional framework and capacity;
- c) Procurement operations in a public market place;
- d) The integrity and transparency of the public procurement System.

The Country Procurement Assessment Review (CPAR) conducted this year is based on those pillars and will be discussed during this workshop. The performance assessment system by entities will be carried out by initially obtaining reliable data on the aspects of procurement and disposal practice required by the Act and Regulations.

f. CORPORATE PLAN

It is important for the Authority to develop a longer-term perspective than that reflected in the annual reports. Accordingly, a Corporate Plan has been endorsed by the Board and will be issued shortly. The Plan describes the key strategic goals, together with an implementation programme, adopting a three-year perspective. The Plan covers the various aspects of development outlined in the Country Procurement Assessment Report 2004. Our Annual Reports and other short-term implementation programmes will in future flow from the strategic goals set out in the Corporate Plan. This information will soon be displayed on our web site for readers to view.

g. RECRUITMENT OF STAFF FOR THE PPDA

The Authority now has 43 staff, which meets the established staffing level, except that the filling of the Executive Director post remains outstanding. However, as the Authority's work expands, particularly at the local government level, additional staff will be needed. The cost of these staff will be reflected in our budget proposals for 2005-06. We shall continue to keep our staffing needs under review, while being careful not to expand beyond the level that is fully justified in relation to our essential work over the medium term.

CHALLENGES

I believe that it is now generally recognised within Ministries that procurement is a mainstream activity that needs to be fully integrated within the financial management system. The success or failure of the public sector reform programme will have wider implications, for effective budgetary control and for ensuring that

public expenditure delivers value for money. It is important therefore that the PPDA should be financed at the agreed level so that its activities may be conducted successfully. I am concerned that the financial allocations to the PPDA have not been at the level provided for in the budget. I hope that these are temporary difficulties and that we will receive our budgeted allocation in the New Year. PPDA to further step up the monitoring, capacity building and audit functions. This all call for resources. The PPDA would in future look at having a self-funding strategy and also find a home to live forever. This calls for all stakeholders to come together in such a meeting to share views and experiences for the bright future of the PDDA.

DEVELOPMENT PARTNERS

I should like to thank the Government of Uganda, the Royal Netherlands Government, in particular the World Bank, the United Nations Development Programme, DANIDA, the private sector and all our other stakeholders for their continued support.

We these few opening remarks I would like to officially declare the workshop open and pray for good deliberations.

**CHAPTER 2: IMPLEMENTATION PLAN OF CPAR 2004
RECOMMENDATIONS, Mr. Rogati Kayani, Lead
Procurement Specialist, The World Bank**

Summary of Presentation

Background

Implementation Follow-up Mission

Pillar 1 – Legislative and Regulatory Framework

Pillar 2 – Central Institutional Framework and Capacity

Pillar 3 – Procurement Operations and Market Place

Pillar 4 – Integrity of the Procurement system

Implementation of the Action Plan For 2004 CPAR

Background

- The 2004 CPAR is a result of collaborative work between the Government, the private sector and development partners undertaken between October 2003 and June 2004.
- CPAR issued to Government on June 15, 2004.
- Final CPAR approved by Government on September 22, 2004, after Government's comments had been incorporated. Government also gave a "No Objection" for public disclosure.

The CPAR findings and recommendations are streamlined along four pillars of sound public procurement as agreed by the World Bank and the OECD/DAC:

- Legislative and Regulatory Framework
- Central Institutional Framework and Capacity
- Procurement Operations and Market Place
- Integrity of the Public Procurement System

An Action Plan for implementing the recommendations was drawn along the four pillars.

Implementation Follow-up Mission: November 29 to December 3, 2004

- Following the Government's approval and no objection to public disclosure of the CPAR, dated September 22, 2004, a CPAR implementation follow-up mission was carried between November 29 and December 3, 2004.
- The mission consisted of: Rogati Kayani (Team Leader); Richard Olowo (Procurement Specialist); Harman Idema (First Secretary, Netherlands Embassy); Jacqueline Okiria (Accounting Analyst); and Noeline Kitonsa (Program Assistant).

- This presentation is based on the findings and recommendations of this mission.

PILLAR 1 – LEGISLATIVE AND REGULATORY FRAMEWORK (1)

There are 2 Actions under this pillar:

A. The IGG, whenever he deems appropriate, should appoint a specialist procurement agency to handle complaints in cases where the PPDA has been advising party or complaints about PPDA itself.

- No need has arisen for implementing this action.
- Wording slightly revised by replacing “agency” by “consultant”.
- IGG now referring most procurement complaints to PPDA.
- Need to inform public that procurement complaints related to the central government and its agencies should be sent to PPDA.

Anticipated Implementation Issue – Funding for employing consultants

PILLAR 1 – LEGISLATIVE AND REGULATORY FRAMEWORK (2)

B. Regulations for local government should be harmonized with those at the central government including giving to the Chief Administrative Officer the authority to appoint and remove tender board members.

- Cabinet has approved policy.
- Solicitor General has drafted Amendments to Local Government Act.
- Local Government is reviewing draft amendments.
- Local Government is preparing New Regulations.
- Bill expected to be presented to Parliament by May 2005.

Main issue: Need to involve other major stakeholders right from the start

PILLAR 2 – CENTRAL INSTITUTIONAL FRAMEWORK AND CAPACITY (1)

The actions under this pillar essentially deal with strengthening the policy role of the MoFPED, and procurement capacity at the PPDA and at procuring and disposing entities. 5 actions under this pillar.

C. The MoFPED should resume its policy making role for the public procurement sector and as a minimum assign staff or a unit responsible for this task.

- Commendable Progress has been made on this Action.
- Procurement Desk Officer appointed. He has also been appointed Board member of PPDA.
- MoFPED to continue playing its role of parent ministry for the procurement cadre responsible for its development. To this effect, there is a need for MOFPED to develop the Scheme of Service for this cadre.

PILLAR 2 – CENTRAL INSTITUTIONAL FRAMEWORK AND CAPACITY (2)

D. PPDA should prepare a detailed implementation plan for the capacity building strategy and commence its implementation.

- Done. An Implementation plan is part of the Procurement Capacity Development Strategy of August 2004.

E. The PPDA should address the general lack of the fundamental understanding of the key public procurement principles, including the ethical aspects of procurement.

- The PPDA is aware that this should be one of the aims of the regular training program.
- PPDA urged to ensure that emphasis is made on the principles behind every Procurement Regulation.

PILLAR 2 – CENTRAL INSTITUTIONAL FRAMEWORK AND CAPACITY (3)

F. HR measures, including individual career development plans, performance measures, and training, etc. for the development of the PPDA staff should be introduced.

- there is a training plan for each department and each PPDA staff.
- a training needs assessment should be ready soon.
- arrangements for staff training and career development are part of a staff management review that is being prepared.

G. PPDA to initiate accreditation system, linking this to capacity building and career development measures.

- PPDA should certify certain training providers who would each issue certificates to those who completed its courses successfully.
- However, a registration board would need to be established for purposes of accreditation. PPDA has undertaken to develop proposals on these lines.

PILLAR 2 – CENTRAL INSTITUTIONAL FRAMEWORK AND CAPACITY (4)

Qualifications for the Recently Recruited Procurement Specialists

- basic academic qualifications and other qualifications stipulated by the Public Service Commission for the recently recruited procurement specialists appear too restrictive.
- The advertisement for these positions required a basic degree in commerce, business or economics and as a necessary condition, the individual must be a member of CIPS.

- For future recruitment, need to broaden the basic academic requirement to any basic degree and to emphasize more on the number of years of practical experience in public procurement rather than CIPS. As emphasized in the CPAR, CIPS is a qualification better suited for private sector purchasing and supplies but seriously lacking for public procurement.
- CIPS qualified procurement specialists who had no experience in public procurement must receive intensive training in public procurement.

PILLAR 2 – CENTRAL INSTITUTIONAL FRAMEWORK AND CAPACITY (5)

Donor Financing for Capacity Building

- UNDP financing general capacity development.
- DANIDA is funding capacity building in procurement audit in the context of its overall support for anti-corruption measures.
- USAID is supporting procurement capacity building in the local government in the context of decentralization. The program extends to 2007. USAID financed a capacity assessment study of the local government but has suspended further activities until the local government Act is amended and New Local Government Regulations issued.
- The Dutch Government is financing procurement curriculum development at Kyambogo and Makerere University Business School (MUBS).
- African Development Bank (AfDB) planning to invest heavily in anti-corruption including procurement.

PPDA to prepare a financing plan for all capacity building activities

PILLAR 3 – PROCUREMENT OPERATIONS AND MARKET PLACE

This pillar deals with compliance with the Procurement Regulations by procuring and disposing entities and functioning of the market place (suppliers, consulting firms and contractors. There are 7 Actions for strengthening compliance and 5 Actions for strengthening the market place.

H. Enforce existing rules on advertising, pre-qualification, submission and opening of bids, and the use of appropriate evaluation criteria through regular procurement audits and application of effective sanctions.

- PPDA has carried out two procurement audits in the ministries of water and education. Two others ongoing in the ministries of Health and agriculture.
- Progress has been slow.
- Inadequate capacity at PPDA has been the main problem.
- PPDA working on an Audit Strategy.

PILLAR 3 – PROCUREMENT OPERATIONS AND MARKET PLACE (1)

I. PPDA to step up enforcement of procurement planning as required in the Regulations including integrating it in the budget process.

- this action should be implemented in the ministries with procurement capacity beginning next budget year.
- These ministries will need to submit work plans/procurement plans with their budget estimates.
- To start with these ministries will include Works, Water, Health and Education.

J. The PPDA should issue guidelines on the proper application of the registration lists.

- No Action so far.
- CPAR Workshop agreed that PPDA should appoint a small task force to work out these guidelines.
- There is an urgent need for doing so.

PILLAR 3 – PROCUREMENT OPERATIONS AND MARKET PLACE (2)

Access to negotiations should be restricted in open competitive bidding

- Enforcement dependent on regular audits as in H. above.

Local Preferences should be abolished

- The local government Regulations are currently being revised to include this provision, as per Action B above.

K. The records and Archive Act should be fully implemented

- Although the Act was passed in 2001, hardly anything seems to have been done towards its implementation.
- Major issue is funding.
- Funds have already been secured for a new building for the Records and Archives Centre.

PILLAR 3 – PROCUREMENT OPERATIONS AND MARKET PLACE (3)

L. The PPDA should monitor and enforce the proper use of the “procurement file” through its procurement audits.

- Enforcement dependent on regular audits as in H. above.

M. Full implementation of ASYCUDA++ should move forward quickly, including access for importers to lodge data into ASYCUDA++ prior to entry and the blue, green, yellow, red line classification.

- URA has made good progress in this through the Modernization Project being financed by DFID.

PILLAR 3 – PROCUREMENT OPERATIONS AND MARKET PLACE (4)

N. An education and certification programme for forwarding and clearing agents should be established.

- No progress made so far in implementing this action.
- Main issue has been the lack of champion to initiate action. This action needs coordination between URA, MTTI and MoFPED. MTTI has undertaken to review its role in this and decide on the course of action.

O. The Customs Act of 1971 should be revised and brought up to the required modern standards.

- The Customs Act is being revised under the New EAC Customs Act.
- URA and MTTI to follow up on the trade aspects as far as they relate to procurement.

PILLAR 3 – PROCUREMENT OPERATIONS AND MARKET PLACE (5)

P. Parliament needs to approve the Competition Act without further delay and measures for implementation should be instituted

- MTTI has already drafted the Act but it has not been submitted to Parliament yet because the policy is not yet in place.
- MTTI is currently finalizing the draft Competition policy. MTTI has undertaken to finalize the draft and submit it to Cabinet for approval before end of this fiscal year.

PILLAR 3 – PROCUREMENT OPERATIONS AND MARKET PLACE (5)

Q. A competition authority/ body aimed at overseeing the development of a competitive market in Uganda should be established

- This is being addressed under the Policy and Competition Act as per R. above.

PILLAR 4 – INTEGRITY OF THE PROCUREMENT SYSTEM (1)

- This pillar deals with anti-corruption. The actions proposed under this pillar are meant to facilitate the prevention and detection of corruption and enforcement of sanctions against perpetrators. There are 5 actions proposed in the CPAR.

R. The AG and the PPDA to establish open lines of communication and a collaborative, strategic approach for the monitoring, audit and oversight functions

Proposing setting up a working group to:

- Coordinate the planning of audit strategies.
- Provide for a proper delineation of functions.
- Provide for follow-up action on the procurement audit reports; and
- Consider the question of harmonization between the PPDA Act and the Audit Act.

PILLAR 4 – INTEGRITY OF THE PROCUREMENT SYSTEM (2)

S. The mandates of the PPDA, the IGG and the CID with respect to responsibilities for receiving and investigating complaints, carrying out investigations, prosecuting cases, etc. should be clarified

- These have been clarified. IGG is now referring most procurement issues to PPDA. PPDA refers corruption cases to IGG who investigates and decides on whether to do the prosecution himself or refer it to the DPP.

PILLAR 4 – INTEGRITY OF THE PROCUREMENT SYSTEM (3)

T. Government should enact and make effective the Amended Prevention of Corruption Act

- The Bill is due to be presented to Cabinet by December 31, 2004. This action is being monitored under PRSC5.

U. Government should enact and implement the Right of Access to Public Information law

- The bill is in Parliament and has had the first reading already.

V. Government should enact and implement the joint Whistleblower Protection and Qui Tam law

- Extensive consultations on the appropriate policy for this bill to be conducted
- The policy to be presented to Cabinet before the end of this fiscal year

PILLAR 4 – INTEGRITY OF THE PROCUREMENT SYSTEM (4)

W. The IGG and the PPDA should collaborate (with other stakeholders) to conduct regular National Public Procurement Surveys

- The IGG is planning to conduct annual surveys.
- Critical activity for monitoring the level of corruption in procurement.
- The IGG has undertaken to carry out the first survey before end of FY06.
- Funding may be a problem but IGG will endeavour to secure funding.

CHAPTER 3: DEVELOPMENT OF THE PROCUREMENT AUDIT STRATEGY, Mr. Julius Mulera, Director, Procurement Audit, Inspection and Investigations, PPDA

INTRODUCTION

- The Government of Uganda initiated reforms in the public procurement and disposal sector in 1997.
- Public procurement was governed by the Public Finance (Procurement) Regulations 2000.
- The size of government had grown considerably and the centralized procurement system was characterized by several shortcomings.

SHORTCOMINGS OF CENTRALIZED PROCUREMENT SYSTEM

- Heavy clogging of tender requests and attendant bureaucratic delays.
- Inefficiency.
- Corruption; and
- Lack of accountability and transparency.

FUNCTIONS OF THE PPDA

The functions of the Authority are derived from Section 7 of the Act, categorized as follows:

- A policy function – which entails advising and reporting on public procurement and disposal processes.
- A regulatory function – which entails issuing the various tools for conducting public procurement and disposal and compliance with the law.
- A data management function – which entails developing a system of managing data on all public procurement and disposal
- A capacity building function – which entails developing procurement and disposal capacity through training and line support
- **An Audit function** - which entails audits during bid preparatory process, execution of an awarded bid and after completion of the contract.

THE ORGANISATIONAL STRUCTURE OF THE AUDIT DEPARTMENT

1 Director
2 Managers
2 Officers

MANDATE OF THE AUDIT DEPARTMENT

The department of Procurement Audit, Inspections and Investigations (PAII) is mandated under Sections 7 and 8 of the PPDA Act to carry out:

- Audits.
- Inspections; and
- Investigations in all Procurement and Disposal Entities (PDEs).

The above is to ensure adherence to best practices in public procurement and disposal processes.

PROCUREMENT AUDIT APPROACH

Out sourcing from the pre-qualified firms, and use of in-house departmental staff.

STRATEGIC FOCUS

Vision

A fraud - free, transparent and value for money – led procurement environment.

Mission

Increased efficiency and effectiveness in the PDEs through application of the established procurement and disposal practices.

Audit Objectives

Audit objectives include statements that define what the audit will accomplish.

Guiding Principles and Core Values

- In order to achieve its strategic objectives, the department will strive to create a sound and ethical business environment.
- Value for Money.
- Reliability.
- Integrity.
- Professionalism.
- Transparency and Accountability.
- Commitment and Teamwork.
- Partnership with other oversight agencies.

PROCUREMENT AUDIT OBJECTIVES

- To ensure proper planning processes
- To ensure that proper procurement procedures were followed.
- To ensure proper and effective negotiations.

- To ensure proper awarding and commencement of the contract.
- To ensure that procurement of contracts (the tender process is in terms with the PPDA Act).
- To ensure that awarding of contracts is fair, equitable and cost effective.
- To ensure that all contracts are valid/properly authorized and approved.
- To ensure that there is adequate performance measurement criteria to enforce deliverables.
- To ensure that all invoice charges are valid, reasonable and accurate according to the contract terms and conditions.
- To ensure that payment (invoice) charges are valid, reasonable, accurate and according to the contract terms and conditions.

SPECIFIC TERMS OF REFERENCE FOR PROCUREMENT AUDIT

The Audit Coverage:

The audit normally covers 20% of procurements and disposals for two financial years;

Targeted activities:

Target activities involve both Government and Donor funds, for which the Accounting Officer is directly responsible and we establish whether:

The PDE has lists of pre-qualified providers and:

- Who compiled the lists;
 - When the lists were put in place;
 - How often the lists are updated, if at all;
 - Who of the pre-qualified providers has taken the "lions share" of the awarded contracts;
- A distribution of all the contracts awarded among the different providers, the contract sums and the contract periods.
 - All works, supplies and services received by the PDE are advertised, and if not, why?
 - There are any works, supplies that are not pre-qualified for, and why?
 - The PDE has a mechanism on how it acquires the items that are not advertised or pre-qualified for.
 - There are any reasons given for direct procurements, indicate whether these reasons would suffice (are genuine) as provided for in the Act, Regulations and the Guidelines.

- The reasons given by the PDE to use direct procurement or disposal method could not have been avoided i.e. whether they were not man-made.
- There is a list of providers of all works, supplies and services that are not advertised as compared to those that are advertised.
- All works, supplies and services received by the PDE are channelled through the Procurement Unit and henceforth to the Contracts Committee.
- There has been any disagreement either between the Accounting Officer and the Contracts Committee or, between the Contracts Committee and the Procurement Unit or Contracts Committee and how such disagreements were handled and eventually disposed of.
- All works, supplies and services received by the PDEs were recorded in the right books.
- All works, supplies and services received by the PDE had ever been advertised in the appropriate media to allow for competition.
- The firms awarded contracts are registered with the Registrar of Companies, and who are their Directors.
- There is evidence that staff members involved in the procurement and disposal process are swearing the ethical codes of conduct before conducting official business.
- There are any cases where a member of the PDE involved in the procurement and disposal process has ever declared his/her interest in any contract.

Submission of Reports

- Assess whether the PDE has prepared any reports regarding procurement and disposals of assets for any works, supplies and services.
- Review the reports and reporting systems available in the PDE as compared to the standard one designed by PPDA.

Complaints Received

- Inquire and take note of the existing Complaints Review Mechanism in the PDEs.
- Thoroughly follow up cases received by the PDE regarding complaints, allegations, and suspicions.

- Follow up on all complaints that have been received by the PDE but have not been disposed of.

Recommendations

Offer any recommendations and the appropriate correctives on any of the above issues:

- Follow up and Monitoring
- Follow up 27 entities.
- We follow up on our recommendations.

IMPLEMENTATION PLAN

The implementation plan clearly outlines the following:

- Strategic priorities.
- Activities under each strategic objective.
- The implementation time schedule.
- The monitoring and evaluation framework.
- Implementation risks.

PERFORMANCE REVIEW OF THE AUDIT DEPARTMENT

- Pre-qualified audit firms (4).
- PriceWaterHouseCoopers.
- International Procurement Consultants.
- Associated Procurement Consultants; and,
- American Procurement Company (AMPROC).

Procurement audits conducted

The department has completed the procurement audit of the following Ministries/ Entities for years 2001/2 and 2002/3:

- Ministry of Education & Sports.
- Ministry of Water, Lands and Environment.

- Ministry of Agriculture, Animal Industries and Fisheries.
- Ministry of Health.

Procurement audit is on-going in the following entities for the years 2002/3 and 2003/4: *This is being carried out by the departmental staff.*

- Mulago Hospital.
- National Medical Stores.

The procurement audit's target is 20% of the procurement and disposal activities in each entity.

Investigations

The department investigated all the reported cases (19) of malpractices involving various procuring and disposing entities. Section 8 (c) of PPDA Act, 2003 mandates the department to carry out this function.

Inspections: The department carried out inspections as required by section 8(d) of PPDA Act, 2003 of the following entities:

- Kabale Local Government, as a follow-up on the IGG's report on irregularities in the tender award for the construction of Gravity Flow Schemes.
- Regional Referral Hospitals (7) to evaluate whether their procurements and disposals followed the Public Procurement and Disposal of Public Assets (PPDA) Act and Regulations, 2003:

Gulu University

The inspection of Gulu University was conducted and covered assessment of use of the procurement and disposal rules and regulations, and reviewing sampled procurement cases.

Mbarara University of Science of Technology

The inspection of Mbarara University was conducted and covered assessment of use of the procurement and disposal rules and regulations, and reviewing sampled procurement cases.

DANIDA SUPPORT PROGRAMME

The Government of Denmark through DANIDA has offered financial support to the PPDA; earmarked to the department of Procurement Audit, Inspection and Investigations.

DANIDA support is geared towards the formulation of an audit strategy and its implementation.

PLANNED SUPPORT TO THE AUDIT DEPARTMENT

- International Consultants will soon report to provide technical assistance to the Department.
- Local Consultants have been recruited under DANIDA support.
- The department is planning to recruit four additional Officers.

WAY FORWARD

- Develop audit manuals and guidelines.
- Audit Central Government PDEs.
- Audit PDEs under the category of Parastatals, Institutions and Commissions.
- Expand the audit in house manpower.
- Pre- qualify more audit providers.
- Commission pre- contract/pro-active audits.
- Intensify Inspections of all PDEs.
- Conduct investigations and reviews of complaints as and when they arise.
- Expedite the implementation of the DANIDA programme.

CHAPTER 4: PROGRESS IN THE IMPLEMENTATION OF THE CAPACITY BUILDING STRATEGY, Mr. Milton Tumutegyereize, Director, Training and Capacity Building, PPDA

OUTLINE OF PRESENTATION

- Purpose of the presentation.
- Background information on the Capacity Building Strategy (CBS).
- Management of the CBS implementation plan.
- Categories of work areas under the CBS.
- Highlights of key activities for Jul - Nov 2004.
- Challenges during implementation.
- Way forward from Dec 2004.

PURPOSE OF PRESENTATION

To Inform the Procurement Sector Review (PSR) workshop of the progress of implementation of the PPDA Capacity Building Strategy.

BACKGROUND INFORMATION

- The Capacity Building Strategy (CBS) was developed early 2004 by PPDA.
- The strategy covers 3 years' period i.e 2004/5 – 2006/7.
- The 3 year implementation plan for the CBS in place since July 2004.
- The implementation plan so far is majorly funded by GOU and partially by the UNDP.
- Key programmes were categorised into 14 work areas for effective implementation.

MANAGEMENT OF THE IMPLEMENTATION PLAN

There are two roles played by stakeholders:

- Operational – Training and Capacity building staff, i.e one Director, two Managers, two officers, Secretary and UNDP project staff comprising Advisor, Procurement expert and Training Coordinator.
- Supportive role – Board of Directors, Donors, relevant Government dept's and PPDA Management / staff.

CATEGORY OF WORK AREA - OPERATIONAL

- External training in Central & Local Governments.
- External training in statutory bodies & Commissions.
- Internal training in Central & Local Governments.
- Internal training in statutory bodies & Commissions.
- Training of Providers of the above institutions.

- Internal training in procurement & disposal of PPDA staff.
- Sensitization of the media & Civil society.

CATEGORY OF WORK AREA - DEVELOPMENTAL

- Strategic management, administration & budgeting.
- Capacity needs assessment in all PDEs.
- Refining & development of training modules.
- Training of trainers.
- External corporation with donors.
- Development of a Certification and Accreditation system.

HIGHLIGHTS OF KEY ACTIVITIES UNDERTAKEN FROM JULY – NOVEMBER 2004

- Development of three new modules:
 - Procurement and Disposal Planning.
 - Standard Bidding Documents.
 - The Disposal Process.
- Sensitization and conducting of skills- based training for about 1700 persons as follows:
 - 807 out of the anticipated 617 in Central government.
 - 90 out of the anticipated 1137 in Local government.
 - 556 out of the anticipated 1552 in statutory bodies and Commissions.
 - 211 out of 750 Providers anticipated.
 - 54 out of the anticipated 90 Media & Civil Society members.
- Initiated the process for training of trainers to be conducted later this financial year 2004/5.
- Started on the process of developing a certification and accreditation system.
- Upgraded PPDA training database.
- Donor support from UNDP.
- Donor support promise from EU.
- Completed internal training of PPDA staff in all the 8 modules on public procurement and disposal system and practices.

MODULES USED IN PPDA TRAINING

- New legal & Institutional Public Procurement framework.
- Procurement and Disposal planning.
- The Standard Bidding Documents.
- Specifications preparation and writing.
- Bidding process and Bid Evaluation.
- Contracts and Contract Management.
- International Commercial Terms (INCOTERMS).

- The Public Assets Disposal Process.

WHO HAVE SO FAR BENEFITED

- Government Institutions (PDEs).
- Staff under Institutional structures: PPDA, AO, CC members, User departments in Central & Local governments and statutory bodies.
- Institutions of higher learning: Nuffic twinning project covering Kyambogo university and MUBS.
- Providers.
- The media and civil society.

CHALLENGES IN IMPLEMENTATION

- Increased demand for training.
- Limited resource base for procurement trainers.
- Low participant attendance.
- Delayed harmonization of LG Regulations.
- Involvement of PPDA and MOLG in Local government training.
- Low levels of Publicity on PPDA mandate & activities.
- Resistance to change of behavior by some public officers and some providers.
- Development of an effective Monitoring & Evaluation system.
- Demand for allowances for participants especially those from Central and Local governments.

WAY FORWARD

- Review and update of training modules.
- Continuous sensitization and skills- based training.
- Implementation of the training of trainers' strategy.
- Development of an effective M & E system.
- Development of a certification and accreditation system.
- Agreement on action-plan of LG training by PPDA and MOLG.
- Increased publicity on PPDA mandate & activities.
- Conducting of Training Needs Assessment (TNA).
- Development of appropriate training intervention plans.
- Funding mobilization and Donor support follow up.

SUMMARY

- PPDA started implementing a Capacity Building Strategy in July 2004.
- Highlighted progress made in implementation of CBS up to November 2004.
- Summarized the challenges so far met in the implementation of the CBS.
- PPDA way forward for the CBS from Dec 2004.

CHAPTER 5: FIGHTING CORRUPTION EFFECTIVELY-THE HONG KONG EXPERIENCE, Mr. Nigel Shipman, Technical Advisor, PPDA

PURPOSE

This presentation describes how the rampant corruption that used to afflict Hong Kong was substantially reduced by determined government effort and popular support. Each country's situation is different and I will leave it to others who are more familiar with the Ugandan situation to consider how far the measures that were successful in Hong Kong would be effective here.

WHAT IS CORRUPTION?

There are several definitions of corruption but a simple one provided by Transparency International may be the most practical:-

“Corruption is the abuse of entrusted power for private gain.”

THE PERCEPTION OF CORRUPTION IN UGANDA

Transparency International is an independent non-profit making organisation based in Germany whose aim is to monitor corruption throughout the world and to recommend and help to build effective counter measures. Each year since 1995 Transparency International has published a Corruption Perception Index, which attempts on the basis of surveys of businessmen, country analysts and risk agencies to identify the extent to which public officials and politicians in each country are perceived as being corrupt. The Index consists of both a score and a ranking for each country against other countries in the survey. Since it was first included in these surveys in 1998, Uganda has always had a relatively low score (i.e. corruption was perceived as being at a high level). The situation deteriorated between 1998 and 2001 but has since recovered to the 1998 level.

**Transparency International Corruption Perception Index
Uganda**

Year	Rank/Number of countries	Score (max. 10)
1998	73/85	2.6
1999	87/99	2.2
2000	80/90	2.3
2001	88/91	1.9
2002	93/102	2.1
2003	113/133	2.2
2004	102/146	2.6

CIRCUMSTANCES WHERE CORRUPTION MAY FLOURISH

Corruption is attributable to many factors, among which are:-

- 1) Political instability, particularly where civil administration is disrupted
- 2) Limited accountability of political leaders and civil servants
- 3) No free investigative press
- 4) Public officials not being paid reasonable wages, so that corruption opportunities become the main attraction of the job
- 5) Heavy penalties being imposed for minor offences, increasing the incentive to offer bribes
- 6) Widespread poverty.

Regarding the link between corruption and levels of poverty, comparison between a country's per capita GDP and its ranking on the Transparency International Corruption Perception Index shows a broad, though not absolute, link between corruption and poverty. Countries with the highest per capita GDP tend to have low perceived corruption, whereas in poorer countries perceived corruption is much higher.

Country	Per Capita GDP (US\$) ¹	TI Ranking
USA	37,800	17
Hong Kong	28,800	16
Netherlands	28,600	10
UK	27,700	11
Finland	27,400	1
South Africa	10,700	44
Botswana	9,000	31
Uganda	1,400	102
Kenya	1,000	129
Nigeria	900	144
Tanzania	600	90

Corruption may be one of the factors, together with political instability, terms of trade, etc, that holds back economic development. One may speak of a vicious circle of corruption, whereby corruption contributes to a low rate of economic

¹ CIA World Factbook

development, leading to continued poverty, where corruption may thrive. Guest² provides a good example from Cameroon to illustrate how entrenched corruption creates circumstances which prevent normal business activity from being conducted: he describes how a Guinness distribution lorry travelling from the company's brewery to a destination some 500 kilometres away, a journey which should ordinarily take 18 hours, took 4 days and when the lorry eventually arrived it was carrying only two-thirds of its original load, because vehicles were constantly being harassed at police and army checkpoints, ostensibly to enforce security and other regulations but whose real purpose was to demand bribes.

THE COST OF CORRUPTION

It is difficult to measure the cost of corruption, since most corrupt activities are hidden. However, two recent studies may give a broad indication of the direct financial costs. Strombom³ has shown that contracts awarded through direct negotiation or restricted bidding may be 20%-30% higher than similar contracts awarded through open competitive procedures. While there are many circumstances where direct negotiation or restricted bidding may be an appropriate method of procurement, it is widely recognised that these methods are more prone to corruption than is open competitive bidding. A further study⁴ into the cost of major works projects in the Italian city of Milan following a crackdown against corruption in the wake of scandals that had led to many of the city's procurement officials being arrested and tighter procedures introduced found that project costs fell by more than 50%. In addition to these direct financial costs there are various indirect costs of corruption, including less satisfactory products being purchased, unnecessary purchases and the introduction of inefficient procedures that delay the granting of approval in order to obtain "speed money". A further consequence may be that good quality ethical suppliers may be reluctant to compete for government contracts in countries where perceived corruption is high, since they are unwilling to put themselves in a situation where they fail to obtain a contract despite putting in a best-value offer because a corrupt competitor has paid bribes. Moreover, many developed countries have made it an offence under their own laws for companies registered in their jurisdiction to pay bribes to foreign officials.

HONG KONG – A DEVELOPMENT SUCCESS STORY

Hong Kong is a small territory of only 1,100 square kilometres on China's southern coast that today is home to almost 7 million people. It was a British colony until 1997, long after the colonial era had passed. Hong Kong had been seized by Britain from China in 1842 during the opium war but was generally regarded as Chinese territory, an impression reinforced by a subsequent land acquisition being held on a 99 year lease from China, a lease that expired in 1997. Consequently, Hong Kong was never regarded as having a future as an independent state and it was only a matter of time before Chinese sovereignty would be resumed.

² Guest, Robert, *The Shackled Continent* (Macmillan, 2004), pp 172-180

³ Strombom, Donald, "Corruption in Procurement" (USIA *Economic Perspectives* November 1998)

⁴ Tanzi, Vito and Davoodi, Hamid, "Corruption, Public Investment and Growth" (IMF Working Paper)

Hong Kong suffered a brutal military occupation under the Japanese during the Second World War, at the end of which its population had been reduced to about half a million. However, its fortunes were transformed in 1949 when the Chinese civil war ended in victory for the Communist forces under Mao Tse-tung. There was a flood of refugees from China bringing its population up to 2.2 million. Some were fortunate or astute, such as the shipping magnate who, when the Communists took over Shanghai, sailed his wealth down to Hong Kong. But most Hong Kong people started with nothing, living in makeshift huts on hillsides and eking out a living as best they could. Yet it was mostly these penniless refugees who transformed Hong Kong over the next 40 years into one of the world's wealthiest cities, the world's 11th largest trading economy and its busiest container port, so that it became the only colony in the history of the British Empire to enjoy a higher per capita GDP than the colonial power. Per capita GDP roughly trebled every 20 years.⁵ Hong Kong received very limited development aid and that mostly took the form of interest-bearing loans that were repaid in full. The factors behind its economic success were political stability and the rule of law, a belief in small government pursuing "laissez-faire" economic policies and offering low taxation, free trade and a free market. These circumstances encouraged entrepreneurship and allowed Hong Kong's burgeoning industry the flexibility to adapt to market demands and to take advantage of the growth of its giant neighbour, China. A determination to tackle corruption also played an important part in creating the circumstances for Hong Kong's economic success.

CORRUPTION IN HONG KONG

During the turbulent times of the 1960s and early 1970s, corruption permeated every aspect of public life. Communist-instigated riots during the Cultural Revolution of the late 1960s weakened civil administration and led many people to believe that a separate Hong Kong would not last for long, so it was better to get rich quickly rather than pursue an honest career. Among the hotbeds of corruption was building control, particularly in respect of gaining permits to put up buildings that exceeded the stipulated plot ratio and in respect of public housing construction, where bribes were paid to housing officials to tolerate sub-standard work. People who suffered a fire in their building had to pay the fire brigade to turn on their hoses and, when the fire had been extinguished, had to pay again for the hoses to be turned off! Even people injured in a road accident often had to pay to be taken to hospital.

Among all the hotbeds of corruption, the Royal Hong Kong Police Force was among the worst examples, particularly among those units charged with controlling vice, gambling and drugs. At this time the Vietnam War was at its height and many US aircraft carriers came to Hong Kong bringing soldiers and sailors on "rest and recreation", fuelling the demand for prostitution. The "red light" district of Wanchai, together with the gambling dens and heroin trading, provided a lucrative source of income for policemen who were prepared to turn a blind eye to illegal activities. New recruits to the Police were quickly targeted. Those who joined the Police at

⁵ Per capita GDP (in 1990 international dollars) increased from \$2,499 in 1952 to \$6,452 in 1972 and to \$19,095 in 1992 (Source: Hong Kong Census and Statistics Department)

that time have attested that before long the new recruit would find in his desk an envelope containing the equivalent of a month's salary, even before he was asked to perform any services for the corrupt syndicate. Taking the money was called "getting on the bus" and was the first step to more lucrative earnings for those willing to play an active part in the corruption racket. However, a policeman would not be forced to accept bribes and would be allowed to live an honest life if he chose to do so, though he would probably find himself posted out of the Vice Squad to units where corruption opportunities were less prevalent. This would be termed "watching the bus". What would be dangerous would be to become a whistleblower, for that was likened to "standing in front of the bus", with obvious consequences.

Matters came to a head with the Godber case of 1973. Chief Superintendent Peter Godber had been in charge of Police postings to the Wanchai District and was thus close to the apex of the corruption pyramid. Later investigations showed that he controlled assets whose value totalled more than six times his official salary. This means that even if he had saved every dollar he had earned during his 20-year career, spending nothing on food, clothing or any other necessities of life, his savings could only have amounted to a sixth of his present wealth. He first came under suspicion after remitting large sums of money to bank accounts abroad and was subsequently suspended from duty and required to provide an explanation for his wealth within seven days. However, during the period of his suspension, he used his Police pass to gain access to the secure area of the airport and boarded a plane to the United Kingdom. The news of Godber's escape led to widespread popular protests against the prevalence of corruption in Hong Kong, finally spurring the Government to take action. The general suspicion that others in the Police had connived in Godber's escape demonstrated the need for the fight against corruption to be entrusted to a separate body.

HONG KONG'S ANTI-CORRUPTION STRATEGY

The main features of Hong Kong's anti-corruption strategy were:

- Establishment of an independent anti-corruption force
- Introduction of tough anti-bribery legislation
- Protection for whistleblowers
- Severe penalties
- Tight control over circumstances where corruption is likely to occur, together with efforts to simplify procedures for gaining permits and thereby to eliminate unnecessary approvals
- Introduction of rules to prevent conflict of interest
- Rights of complaint and appeal
- Greater public access to information which, at a later stage, was enhanced through the e-government programme
- Public education.

Each of these features will be considered in turn.

The independent anti-corruption force, known as the Independent Commission Against Corruption (ICAC) was set up in 1974 in the wake of the Godber scandal and today has 1,350 staff. It operates through three departments, concerned with operations, corruption prevention and community relations.

The Operations Department investigates allegations of corruption and prosecutes offences. The Department enforces the Prevention of Bribery Ordinance, under which it is an offence to offer any advantage to a public servant as an inducement or for a public servant to solicit or accept such advantage. The term "advantage" is broadly defined to include gifts, loans, employment, a contract or any other favour. The giver and the taker of bribes are equally guilty. Moreover, an offence is committed on the basis of an offer of advantage, even if the advantage is not delivered. It is often notoriously difficult to prove a corrupt act, because of the problems in getting reliable witnesses to come forward. The Ordinance therefore removed the requirement for proof that a corrupt act had been committed, so that it was sufficient to show that the accused person had control of assets or maintained a lifestyle above what was commensurate with his official earnings. In a departure from the "presumption of innocence" concept in law, the onus rested with the accused to provide a satisfactory explanation for these excess assets. The Department was allowed extensive powers of investigation, including the right to search property and bank accounts and could demand that the person under investigation provide it with accounts and other documents and information. Protection is offered to whistleblowers and, while complainants are encouraged to come forward, anonymous allegations will be investigated. Other parts of the civil service that receive allegations of corruption, whether from a named individual or anonymously, may not conduct their own investigations but must refer them immediately to the ICAC. There are penalties upon conviction of up to 10 years imprisonment and fines of up to US\$130,000, together with confiscation of the "unexplained" assets. In addition to the penalties imposed by the courts, public servants found guilty of corruption would face dismissal and loss of their pension entitlement and would be debarred from future employment by a public body.

An early success for the Operations Department was in obtaining the extradition of Peter Godber from the United Kingdom, after overcoming the normal impediment in British law that a person may not be extradited for an act committed overseas that would not constitute a crime in the United Kingdom. (Possessing assets above one's earnings is not a crime in the United Kingdom.) The ICAC were, however, able to produce sufficient evidence to satisfy a UK court that a prima facie act of corruption had been committed and the court granted the extradition request. Godber was convicted in a Hong Kong court and sentenced to 4 years imprisonment (after account had been taken of the time he had spent in prison in the UK while fighting extradition to Hong Kong). Although the court ordered the confiscation of his assets, this proved difficult to implement, as most of his assets had by then been moved overseas. The successful prosecution of Godber was important in bolstering public confidence by rebutting criticism that the ICAC would only catch flies but not tigers.

In a setback for the ICAC, a Police riot in 1977 against ICAC activities led to the Governor conceding an amnesty for previous offences. While an amnesty is undesirable, it may be a practical necessity in order to weaken opposition within key institutions.

The Corruption Prevention Department is responsible for reviewing procedures that are vulnerable to corruption. The Department has conducted several studies of aspects of procurement, including procedures for tenders and quotations, stores management and collusion at auctions. It has produced the Procurement Best Practices Checklist (see annex). An important aim has been to streamline processes for approval, by shortening the time taken for decisions and increasing flexibility. The Department also provides a consultancy service to both the public and the private sectors and is involved at an early stage in the preparation of new legislation.

Other rules that contribute to the prevention of corruption are those concerning conflict of interest. Public servants and members of sensitive committees are required to declare any actual or potential conflict of interest and to declare their assets, including property and shareholding. Public servants must also seek approval for hospitality or small gifts received in the course of their official duties and such gifts are regarded as having been made to the office and as such may not be retained by the individual after he leaves office.

There are extensive rights of complaint and appeal that serve as a further deterrent to corruption. People who are aggrieved over any government service may address their complaint to the head of department, to the Government Ombudsman or to the Legislative Council and all these bodies have a mechanism for considering these complaints. Suppliers aggrieved at a contract award have the right to appeal to the Bid-Challenge Review Tribunal for Public Procurement which had been established under the World Trade Organisation's Agreement on Government Procurement, to which Hong Kong is a signatory. If any of the investigations into these complaints were to raise any suspicion of corruption, the matter would be handed over to the ICAC.

Access to information is an important aspect of transparency. The Hong Kong public have a right of access to information in government files, subject to arrangements for protecting confidential information. The Internet and other aspects of e-government, including the Government's Electronic Tendering System, also make information more easily accessible and provide an audit trail.

The Community Relations Department, the third arm of the ICAC, provides an extensive public education programme, including teaching packages for schools, to raise awareness about the dangers of corruption. The Department also conducts a business ethics programme.

THE OUTCOME OF HONG KONG'S ANTI-CORRUPTION PROGRAMME

Corruption can never be eliminated, only reduced. There has been a continuation both of high-profile and of petty corruption cases in Hong Kong. However,

corruption today is far less pervasive than it had been in the past. Integrity has been restored to the public service. Bribe-paying is regarded as unacceptable behaviour throughout the community. That is the real achievement of the ICAC.

With Hong Kong's return to China in 1997, there were fears that the far higher rates of corruption in China would spread to Hong Kong. However, since the handover, Hong Kong has continued to obtain higher scores on Transparency International's Corruption Perception Index.

Transparency International's Corruption Perception Index Hong Kong

Year	Rank/Number of countries	Score (max. 10)
1996	18/54	7.0
1997	18/52	7.3
1998	16/85	7.8
1999	15/99	7.7
2000	15/90	7.7
2001	14/91	7.9
2002	14/102	8.2
2003	14/133	8.0
2004	16/146	8.0

Countries where corruption is prevalent may find difficulty in managing major development projects where substantial sums are involved that can lead to heavy losses. Having relatively low rates of corruption has helped Hong Kong to manage major development projects effectively. The new airport at Chek Lap Kok that was completed in 1998 was one of the world's largest infrastructure projects, involving expenditure of US\$20 billion on land reclamation, a major highway and rail network and construction of the world's longest combined rail-road suspension bridge (1,377 metres). In a review of the project⁶, a mission of Transparency International found that the vast project had been implemented largely within budget and with minimum corruption. The main factors in the success of the project were

- Strict anti-corruption laws and strong enforcement
- Clear rules for:
 - Procurement of services and supplies

⁶ Rooke, Peter and Wiehen, Michael H "Hong Kong: the Airport Core Project and the Absence of Corruption" (Transparency International 1999)

- Monitoring of contract performance
- Enforcement of accountability
- Dispute resolution
- A favourable working environment, including good salary levels, strong professionalism and high morale.

KEY FACTORS IN HONG KONG'S SUCCESS AGAINST CORRUPTION

Hong Kong's success in the fight against corruption is attributable to:

- Leadership and commitment at the top
- Popular support
- An independent dedicated force with powers to deal with all aspects of corruption
- Effective legislation that does not require proof of a corrupt act
- Regular review of procedures to improve efficiency and reduce opportunities for corruption.

A further factor is the belief in small government, so that maximum scope is given to the private sector to provide services. Uganda has also pursued a privatisation policy with considerable success. Although corruption does occur in the private sector, it is usually less prevalent than in the public sector, because private sector management is likely to be vigilant against its staff taking bribes from suppliers, as the higher costs and inferior products associated with such practices would reduce profits. Much of corruption should be seen as a failure of management. It is important that managers should be made accountable for the actions of their junior staff. This would involve not only supervising their working practices but also understanding their lifestyles, so that managers would be aware who among their staff are maintaining a lifestyle that their salary would not be able to support and who are prone to gambling or to other activities leading to indebtedness.

The eighteenth century political philosopher, Edmund Burke, remarked

"The only thing necessary for the triumph of evil is for good men to do nothing."

This does not mean standing in front of the bus but there are appropriate ways we can contribute as citizens and as public servants to the fight against corruption.

Annex: Best Practice Packages:

Procurement Practices Checklist

The following checklist outlines some areas of potential corruption risk in procurement. A "No" answer indicates a potential control weakness requiring further investigation. The Advisory Services Group of the Corruption Prevention Department will provide free and confidential consultancy services for this purpose.

Procedures	Yes	No
1. Are there written policies and procedures governing procurement?	<input type="checkbox"/>	<input type="checkbox"/>
2. Have these guidelines been promulgated and clearly explained to all staff?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are the procurement instructions regularly reviewed and updated?	<input type="checkbox"/>	<input type="checkbox"/>
Requisitions	Yes	No
1. Is there an official requisition for purchases?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is there a defined approval process for a requisition?	<input type="checkbox"/>	<input type="checkbox"/>
3. Do all staff concerned know the requisition process?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is a list of specimen signatures of the approving officers maintained for checking of authenticity?	<input type="checkbox"/>	<input type="checkbox"/>
Approved Suppliers	Yes	No
1. Is there a list of approved suppliers?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is there a prescribed system for the inclusion and/or deletion of suppliers from the list?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is there a performance appraisal of the approved suppliers?	<input type="checkbox"/>	<input type="checkbox"/>
Quotations	Yes	No
1. Are the circumstances for purchasing goods by quotation clearly specified?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are there safeguards against order splitting?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are checks carried out to confirm the authenticity of quotations or reasons for non-quotation?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are random checks performed to ensure the prices obtained for direct purchases are fair and reasonable?	<input type="checkbox"/>	<input type="checkbox"/>
5. Are security measures in place to prevent mislaid quotations and unauthorised release of information?	<input type="checkbox"/>	<input type="checkbox"/>

Tenders	Yes	No
1. Is complete information given in the tender documents?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are tender documents despatched by certified or registered mail?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are tenderers requested to confirm bids or submit a nil response?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is a tender summary maintained?	<input type="checkbox"/>	<input type="checkbox"/>
5. Is the tender box double-locked with the keys held separately by two staff members of appropriate level?	<input type="checkbox"/>	<input type="checkbox"/>
6. Are there appropriate procedures for opening tenders and criteria for the evaluation of tenders?	<input type="checkbox"/>	<input type="checkbox"/>
7. Is the tender information kept confidential before a decision is made?	<input type="checkbox"/>	<input type="checkbox"/>
8. Are unsuccessful bidders notified of the tender result?	<input type="checkbox"/>	<input type="checkbox"/>
9. Are conditions and procedures in place for the waiver of competitive tender procedures?	<input type="checkbox"/>	<input type="checkbox"/>

Miscellaneous	Yes	No
1. Is the organisation's policy on conflict of interest and staff acceptance of advantages made known to all suppliers?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is there clear segregation of duties to minimise the opportunities for corrupt collusion?	<input type="checkbox"/>	<input type="checkbox"/>
3. Are staff regularly transferred, both for career development and to minimise the potential for syndicated corruption?	<input type="checkbox"/>	<input type="checkbox"/>
4. Is a record kept of the receipt, movement and disposal of samples?	<input type="checkbox"/>	<input type="checkbox"/>

Best Practice Modules

This summary checklist on procurement practices forms part of a series of Best Practice Modules prepared by the ICAC Corruption Prevention Department. These modules outline general principles of corruption prevention for a range of business activities.

**CHAPTER 6: UGANDA'S NATIONAL ANTI-CORRUPTION STRATEGY
2004-2007, Mr. Paul Beggan, Governance Advisor,
Directorate of Ethics and Integrity**

INTRODUCTION

PURPOSE OF NATIONAL PLAN

- Common focus, understanding, commitment.
- Interdependence.
- Over-arching framework.
- Community Involvement.
- Leverage, influence and resources.
- Political commitment and support.

THE PLAYERS – THE INTER-AGENCY FORUM

- Criminal Investigations Directorate (CID).
- Directorate of Public Prosecutions (DPP).
- Inspectorate of Government (IG).
- Office of the Auditor General (OAG).
- Public Procurement and Disposal of Assets Authority (PPDA).
- Directorate of Ethics and Integrity (DEI).
- Ministry of Finance, Planning and Economic Development (MoFPED).
- Uganda Revenue Authority (URA).
- Ministry of Public Service (MoPS).
- Ministry of Local Government (MoLG).
- Ministry of Internal Affairs (MoIA).

IMPACT OF CORRUPTION ON POVERTY

- Poor decision making.
- Inefficiencies in public expenditure.
- Direct leakage of funds.

LEADS TO:

- Fewer resources for poverty reduction.
- Jeopardises future flows of resources.
- Limited social services.

VALUE FOR MONEY

UPE

- 145 sites inspected 45% were unsatisfactory.
- US\$15 billion wasted.

- 15 years taken of the expected life of many buildings.
- Some building collapsing before completion.
- Tenders awarded to incompetent contractors.
- Technical evaluations disregarded.
- Pupil teacher ratio 1:94 vs target of 1:55.

HEALTH

- 51% of women earn UShs 40,000 per month.
- Evidence of corrupt payments of UShs12,000.
- Health extortion of up to UShs 50 billion.

With limited future expansion of public revenues then the impact and effective use of current resources will be key to public financial management.

EXPERIENCE

Experience shows that tackling corruption and building accountability across the public sector requires a great deal more than the establishment of formal structures. The essential elements of reform are closely inter-related and include:

- Provision of adequate resources on an ongoing basis.
- Effective institutions, legislation, systems and regulations.
- Enforcement.
- Education and training.
- Building democratic structures.
- Free and effective media.
- Public standards, ethics and codes of conduct.
- Public attitudes to corruption and to State resources.
- Public information and adequate systems of access.
- Public sector reform, including pay reform.
- Political will and direction.

UGANDA NATIONAL ANTI-CORRUPTION STRATEGY

STRATEGIC GOAL

Minimise levels of corruption and increase transparency and integrity in public office

STRATEGIC PURPOSE

Provide a framework to effectively tackle and reduce corruption, improve public accountability, ethics and integrity.

STRATEGIC OBJECTIVES

- Strengthening enforcement.

- Strengthening the coordination function to improve effective anti-corruption action and facilitate achievement of objectives.
- Strengthening the legislative framework.
- Ensuring that the public are actively and increasingly involved in the fight against corruption.
- Building sustainable systems and institutional capacities within anti-corruption agencies and addressing key bottlenecks that hamper effective action.
- Enhancing and sustaining political support at all levels in the fight against corruption.

OBJECTIVE 1: STRENGTHENING ENFORCEMENT

- Commissions of Inquiry.
- Improved case management and reporting.
- Improved case processing.
- Witness protection.

OBJECTIVE 2: STRENGTHEN COORDINATION

- Effective Inter Agency Forum (IAF).
- Active Accountability Sector.
- Cross-sectoral cooperation.
- Anti-corruption actions plans across sectors.
- Coordination with district administration (procurement).

OBJECTIVE 3: STRENGTHEN LEGISLATION AND REGULATION

- Public Service Regulations updated and enforced.
- Legislative programme.
- International obligations.

OBJECTIVE 4: INVOLVE THE PUBLIC

- Civil society actively engaged with Government.
- Public access to information.
- Improved management standards – client charters and codes of conduct.

OBJECTIVE 5: BUILD INSTITUTIONAL CAPACITY

- Effective anti-corruption agencies.
- Key professional capacities strengthened.
- Institutional mandates clarified.
- Management information systems improved.

OBJECTIVE 6: ENHANCE AND SUSTAIN POLITICAL SUPPORT

- Political commitment / will demonstrated.
- Public confidence in anti-corruption action increased.

CONCLUSION

Corruption is a global phenomenon and no country is free of it. Nevertheless the state of corruption is a very fundamental health check on the quality of society. Uganda aspires to be a middle-income country within the next twenty years and if this aim is to materialise then improvement in the quality of governance and tackling corruption in a consistent and vigorous manner is essential. Our aim is that the National Anti-Corruption Strategy will make a significant contribution to that process.

CHAPTER 7: PROPOSED AMENDMENTS TO THE LOCAL GOVERNMENTS ACT, 1997 (PROCUREMENT SECTOR), Mr. Patrick Mutabwire, Commissioner, Local Government Councils, Ministry of Local Government

INTRODUCTION

The procurement function in Local Governments has increased with Decentralisation

- Increased Grant transfers from the centre
- Increased projects/programmes managed by Local Governments

In spite of this, the procurement function in Local Government has largely been affected by:-

- An inadequate law to regulate procurement
- Weak human Resource capacity e.g. virtually no procurement officers in Local Governments.

These issues are now being tackled.

HARMONISATION OF THE CENTRAL AND LOCAL GOVERNMENT PROCUREMENT LAW AND REGULATIONS

Focus has been on:

- Institutional harmonisation.
- Process harmonisation.

The ultimate aim is to:

- Depoliticise the procurement function in the Local Government.
- Increase transparency.
- Get value for money in procurements.

INSTITUTIONAL HARMONISATION

Current Position	Proposed Changes
Sections 91 to 94 of the LGA Cap.243 spell out procurement institutional arrangements	Sections 91 to 94 of Cap 243 to be repealed
District Tender Boards/ Urban Tender Boards	To be replaced by District/ Municipal Contracts Committee

Appointments done by District Council	Nominations to be done by CAO/Town Clerk from Civil Service in the LG and Appointment done by ST
Size of DTB/UTB is 7 for District and 5 for UTBs	Contract Committees to have five members with quorum of 3 members where possible include Resident Sate Attorney
Tenure of office 3 years renewable	Contracts Committee members will serve for 3 years renewable only once.
Procurement and Disposal Unit not in place	Procurement and Disposal Unit to be created headed by procurement Officer with functions as specified in Sections 31&32 of PPDA 2003
Secretariat of DTB/UTB is ACAO or ATC	Procurement Officer will be Secretary but without rights to vote at a meeting of Contracts Committee
No provision for use of another LG/DTB	Provision to use another LG contract Committee to be introduced (with a approval of ST&PS-MoLG. (Flexibility issue).
Reports of DTB/UTB made quarterly to Council	Contracts Committees to publish quarterly reports copies to PS-MoLG & PPDA
Minister can issue Regulations under Section 175 of LGA	Minister will issue Regulations under Section 175
Regulation of DTB/UTB under PPDA	Contracts Committee to be regulated by the Authority under PPDA Act 2003. Sections 7,8,9 of the Act shall apply with modifications
Community Procurement not regulated	Community procurement to be regulated by Contracts Committee delegating to Community Purchase committee and Sub county purchase committees.
Sanctions not strong under current law	Strong sanctions introduced Minor omissions, commissions and no compliance: severe reprimand by Accounting Officer.
	Major omissions, commissions and no compliance: Interdiction for a period not exceeding 6 months on half pay
	Strong sanctions introduced grave omissions, commissions and no compliance: Dismissal from Public Service & criminal proceedings.
N.B: Any reference to Tender Boards in the PPDA Act will consequentially be amended	

PROCESS HARMONISATION

The process harmonisation has been done in the Draft Local Government (Procurement and disposal of Assets) Regulations. The key highlights of the proposed Regulations are:

- PPDA Authority over procurement in LGs.
- Elaborate on the roles of officials and organs involved in LG procurement.
- Provides for procurement practices.
- Details procurement rules.
- Provides for procurement process.
- Introduced dispute resolution mechanisms through administrative review process.
- Spell out procurement contract management.
- Provides for disposal of Council Assets.
- A Code of ethical conduct for members of the Contracts committees is included.

WHAT REMAINS TO BE DONE:

- Consulting with the stakeholders on the Draft Bill.
- Taking draft bill to Cabinet by end of January 2005.
- Conducting an institutional and capacity needs assessments of 69 HLGs.
- ToRs submitted to WB for clearance.
- Finalising LG (Procurement and Disposal of Assets) Regulations.
- To be submitted by consultant by 15/12/04 They will be submitted to Cabinet along with the Draft Bill.
- PPDA to produce training materials on procurement for LGs.

CONCLUDING REMARKS

- The Ministry in consultation with PPDA are doing everything possible to push forward the procurement reforms in LGs
- The relatively slowness should be understood against the fact that these reforms require changing the legal base.
- Very little will be done in terms of Procurement Capacity Building in LG until after June 2005.
- Some remedial actions need to be taken e.g training the technical officers on procurement.
- Ministry guiding LGs to use such officers on technical evaluation committees.
- requiring DTB/UTB to respect Technical evaluations results.
- All necessary measures need to be taken to get value for the more than 60-% of resources that are spent through procurement in LGs.

CHAPTER 8: LEVEL OF COMPLIANCE BY PDES TO THE PROCUREMENT REFORMS AND ISSUES ARISING, Mrs. Cornelia Kakooza Sabiiti, Manager, Legal and Compliance, PPDA

BACKGROUND

The Public Procurement and Disposal of Public Assets Authority is established under Act 1 of 2003 to formulate policies and regulate practices in respect of public procurement and disposal activities.

Under Section 7 (b) of the Public Procurement and Disposal of Public Assets Act, the Authority is required to monitor and report on the performance of public procurement and disposal systems in Uganda by conducting regular compliance assessments on procuring and disposing entities. PPDA conducted this exercise for the first time during the months of May, June, July and August 2004 for procuring and disposing entities (PDEs) of Central Government⁷.

OBJECTIVES

The main objectives of the exercise were to -

- (a) Establish whether the institutional framework as required by the law had been put in place by the PDEs;
- (b) Establish whether the PDEs were following the procedures provided under the law;
- (c) Identify the training needs of the PDEs in public procurement; and
- (d) Find out the challenges faced by the PDEs in the implementation of the law.

SCOPE

The exercise was targeted to cover only central government entities since the Local Governments are yet to have harmonized regulations for procurement and disposal. The period covered for the assessment was the financial year of July 2003 to June 2004 for ease of interpreting issues concerning budgets and work plans.

The scope of the questionnaire for the compliance assessment covered the following six broad areas;

► Institutional framework

- Contracts Committee
- Procurement and Disposal Unit

⁷ Central Government PDEs include Government Ministries and Departments, Statutory Bodies, Constitutional Commissions and Bodies, Regional Referral Hospitals and Tertiary Training Institutions.

- Subsidiaries/projects that are semi-autonomous under the PDE
- Training Needs of the PDE.

▶ Procurement Planning

- User Department plans
- PDE procurement plan integrated in expenditure budget
- Committal and certification of funds
- Payment procedures

▶ Procurement and Disposal Practice

- Use of standard bidding documents
- Use of direct procurement method and emergency procurement
- Methods used in disposal of assets
- Requests for waivers/ deviations

▶ Record Keeping and display of Public Information

- Filing systems – minutes, contracts, notices etc
- Submission of reports to PPDA
- Display of bid/disposal notices on public procurement notice board

▶ Administrative review

- Whether complaints have been received and how they had been handled

▶ Challenges in the implementation of the law

- Such as lack of trained staff, office facilities, access to copies of the law, interference in bidding process etc

FINDINGS AND IMPLICATIONS

The compliance assessment exercise revealed varying levels of compliance among the PDEs. It was therefore not easy to categorise them into the same compliance grades. It was agreed that the criteria to be used for determining the compliance status of each PDE for a PDE to be categorized as compliant should have as the basic minimum the establishment and functionality of the Contracts Committee (CC) and the Procurement and Disposal Unit (PDU). This categorization of the compliance status is divided into three broad categories as follows-

1. Compliant PDE: - has both CC and PDU.
2. Partially Compliant PDE: - has only CC or only PDU.
3. Non-compliant PDE: - does not have either CC or PDU.

Of the 99 PDEs assessed, a total of 67 PDEs (68%) were compliant, 23 PDEs (23%) were partially compliant and 9 (9%) were non-compliant. Although this compliance categorization is limited to the establishment of the Contracts Committee and Procurement and Disposal Unit, the other key areas that need to be addressed by

each PDE were identified and have been communicated to the respective PDEs for their implementation and future follow up by PPDA

The PDEs under the above compliance categories are listed in **Annex I**.

The following are the key findings and implications for the specific areas of the compliance assessment.

INSTITUTIONAL FRAMEWORK

Findings:

- 68% of PDEs assessed had in place the CC and PDU.
- Key organs in the procurement and disposal process not clear on functions and roles.
- Functionality of PDUs is weak.
- Delegation of functions and powers not formalized.

Implications:

- 32% of PDEs assessed have not fully implemented the requirements of law to have a CC and a PDU.
- Independence of functions and powers not practiced.
- Interference with roles of PDU.
- PDEs with delegated functions not reporting to PPDA.

TRAINING NEEDS

Findings:

- 23% of PDEs assessed had undergone training organized specifically for staff of the PDE on the new procurement system.
- More Training needed for AO, CC, PDU and User Depts.
- Training needed for providers.
- Professional development and Career guidance needed for procurement professionals.

Implications:

- Increased demand for training by PDEs may not be satisfied by PPDA alone.
- Lack of professional development for staff handling procurements could lead to large staff turn overs to other disciplines.

PROCUREMENT PLANNING

Findings:

- General lack of procurement planning in PDEs.
- Procurement planning not linked to the process of development of work plans and budgets.
- Reluctance to have procurement plans in place due to the uncertain and untimely releases from treasury.
- PDUs not clear on how the procurement plan is to be developed.

Implications:

- Lack of procurement plans could result in an increase in emergency procurements and unnecessary splitting of requirements.
- De-linking the procurement planning from the overall budget process could result in failure to achieve value for money and to pay providers in time.
- Lack of procurement plans could encourage deviations from prescribed procurement methods.

PROCUREMENT AND DISPOSAL PRACTICE**Findings:**

- PDEs using draft SBDs developed by PPDA and SBDs under donor guidelines.
- PDEs not informing PPDA on use of alternative SBDs.
- Conditions for the use of prescribed procurement and disposal methods not followed.
- Monthly reports submitted to PPDA late or not at all.
- Rotation of providers on pre-qualification lists not followed.
- Management of LPOs in some PDEs not under PDU.

Implications:

- Non compliance with the provisions of the SBDs could result in unfair awards by the PDEs.
- Non compliance with prescribed procurement and disposal methods will reduce competition and increase corruption.
- Non compliance with the requirement and deadline to submit monthly reports will result in PPDA not being able to monitor the PDEs effectively.
- Non compliance with the requirement of rotation of providers on pre-qualified lists will result indirect use of the direct procurement method.

RECORD KEEPING AND DISPLAY OF INFORMATION**Findings:**

- Record keeping is lacking in most PDEs with no central point for keeping of documentation related to procurements and disposal.
- Most PDEs are not complying with their statutory obligation to display on their procurement notice board information relating to procurement and disposal which includes bid notices, notices of best evaluate bidder, contract award notices etc.
- PDEs are not submitting this information to PPDA for display on PPDA's website.

Implications:

- The lack of information at an appropriate central point like the PDU will make it difficult to track the progress on the procurement process, the status of implementation of contracts, the performance record of the providers.
- The PDEs have failed to meet the statutory requirement of displaying information.

- This failure indicates a lack of transparency in the bid evaluation and contract award process.
- PPDA unable to meet its own statutory obligations of displaying such information on its website.

HANDLING OF COMPLAINTS

Findings:

- No records in many PDEs showing how complaints were handled.
- AOs in some cases do not take proper measures to investigate all complaints.

Implications:

- Lack of records of complaint handling may mean that they were not properly disposed of.
- Bidders may lose confidence in the review mechanisms if their complaints are not addressed.

CHALLENGES

Findings:

- Annual pre-qualification is costly and cumbersome.
- Late release of funds and budget cuts affect procurement planning and implementation.
- Limited facilitation of the CC and PDU to enable them execute their functions.
- Procurement law does not consider the uniqueness of some PDEs as regards their size and core functions.

Implications:

- The challenges faced by the PDEs will hinder their progress in the implementation of the law.

RECOMMENDATIONS

The compliance assessment exercise revealed a number of issues that need to be streamlined to allow for the full implementation of the law. Some of them need to be addressed by PDEs and others by PPDA through the formulation of guidelines, training of the staff of the PDEs or making recommendations to Government for changes in policy/law.

The following are recommendations of the Authority arising from the findings of the compliance assessment exercise:

STRENGTHENING THE INSTITUTIONAL FRAMEWORK

- PPDA to ensure that AOs establish and ensure the functionality and independence of the key procurement and disposal structures.
- PDUs that are understaffed should be staffed at appropriate levels related to the volume of work of PDE.

- PPDA to closely monitor all PDEs with delegated authority.

TRAINING AND CAPACITY BUILDING

- PPDA to develop a training of trainers programme to cater for the increased demand by PDEs and providers.
- PPDA to reactivate the professional development committee for procurement and coordinate the setting of competence levels and certification requirements for procurement professionals.

PROCUREMENT PLANNING

- PPDA to consult with Ministry of Finance the possibility making procurement planning a mandatory requirement for releases from treasury.
- PPDA to provide on-line support to PDUs for procurement planning.
- AOs to ensure the procurement plans are made and are linked to the work plan and budget process of the PDE.
- PPDA to train PDEs on the use of framework contracts for recurrent procurements as well as the requirement of aggregating requirements to benefit from economies of scale.

COMPLIANCE WITH PRESCRIBED PROCUREMENT AND DISPOSAL PRACTICES

- PPDA to have the draft SBDs approved by the Solicitor General and ensure the strict compliance by PDEs to the standard provisions and formats.
- PPDA to closely monitor the monthly reports submitted by PDEs together with their pre-qualification lists of providers in order to ascertain whether the prescribed methods are being followed.

STRICT RECORD KEEPING AND DISPLAY OF INFORMATION

- Proper filing records should be kept by each PDU that trail the procurement and disposal process from planning to contract implementation.
- PPDA to issue guidelines on standard notice formats to PDEs.
- PPDA to request PDEs to submit this information in appropriate format.

TIMELY AND EFFICIENT HANDLING OF COMPLAINTS

- AOs to ensure that all complaints received are formalized and records kept to showing how they were handled.

IMPLEMENTATION OF PPDA'S STATUTORY OBLIGATIONS

There is need for PPDA to fully implement its statutory obligations under the Act and Regulations. This will go a long way in guiding PDEs on how to further implement the law. These obligations include the following:

- Issuing of guidelines to PDEs on all the areas mentioned in the law
- Establishing a system for the publication of data on public procurement and disposal opportunities, awards and any other public information. This will promote transparency in the public procurement sector.
- Establishing and maintaining a National Providers Register that indicates providers qualifications and ownership, physical and financial capacity, core operational areas and performance record. This register could be updated annually to save the PDEs from the cumbersome annual pre-qualification exercise.

PROPOSED AMENDMENTS TO THE PPDA ACT AND REGULATIONS

PPDA should prepare proposals to amend some provisions in the law in order to address the challenges faced by the PDEs. Some of these proposals include-

- Amending Regulation 118(9) to cover the requirement to submit monthly procurement reports to PPDA.
- Amending Regulation 345 to allow third parties who are not bidders to submit complaints to the Accounting Officer and pay the Administrative review fee.
- Amending Section 93 and the 5th Schedule to the PPDA Act on Code of Ethics to include the express prohibition of public officers participating in public procurement.
- Amend Section 79 and the Fourth Schedule to the PPDA Act to provide for public bid opening also for Request for proposals/quotations method of procurement.

CONCLUSION

In conclusion the overall assessment of the PDEs indicates a fair level of progress in implementation of the law since 68% of the 99 PDEs assessed have put in place the vital structures of the contracts committee and the procurement unit. There is need however to ensure that the PDEs acquire more skills to perform their functions.

The specific issues to be followed up under each PDE have been communicated to the Accounting Officers of each PDE and have been assigned to the relevant departments within PPDA for development of action plans aimed at addressing and following up progress by the PDEs in order to ensure that the public procurement system is made more efficient, transparent and accountable.

COMPLIANCE STATUS OF CENTRAL GOVERNMENT PDEs⁸

CATEGORY I: COMPLIANT PDEs

1. Amnesty Commission
2. Auditor General's Office
3. Aids Commission Secretariat
4. Butabika Hospital
5. Courts of Judicature
6. Directorate of Public Prosecution
7. Electoral Commission
8. Electricity Regulatory Authority
9. Education Service Commission
10. Fort Portal Referral Hospital
11. Gulu Referral Hospital
12. Health Service Commission
13. Jinja Referral Hospital
14. Judicial Service Commission
15. Law Development Center
16. Local Government Finance Commission
17. Ministry of Agriculture, Animal Industry and Fisheries
18. Mbale Referral Hospital
19. Ministry of Defence
20. Ministry of Energy & Mineral Development
21. Ministry of Education and Sports
22. Ministry of Foreign Affairs
23. Ministry of Finance, Planning and Economic Development
24. Ministry of Gender, Labour & Social Development
25. Masaka Referral Hospital
26. Ministry of Health
27. Mulago Hospital Complex
28. Ministry of Internal Affairs
29. Ministry of Justice and Constitutional Affairs
30. Ministry of Local Government
31. Ministry of Public Service
32. Ministry of Tourism, Trade and Industry
33. Makerere University Business School
34. Mbarara University of Science and Technology
35. Movement Secretariat
36. Ministry of Works, Housing and Communications
37. Ministry of Water, Lands and Environment
38. National Agricultural Advisory Services
39. National Agricultural Research Organization
40. National Council for Children
41. National Curriculum Development Center, Kyambogo
42. National Drug Authority

⁸ Compliance status as at 30th July 2004.

43. National Forestry Authority
44. National Housing & Construction Company Ltd
45. National Insurance Corporation
46. National Water and Sewerage Corporation
47. Office of the President
48. Office of the Prime Minister
49. Public Service Commission
50. Parliament of Uganda
51. Soroti Referral Hospital
52. State House
53. Uganda Bureau of Statistics
54. Uganda Communications Commission
55. Uganda Electricity Board
56. Uganda Electricity Distribution Co Ltd
57. Uganda Electricity Transmission Co Ltd
58. Uganda Insurance Commission
59. Uganda Land Commission
60. Uganda Law Reform Commission
61. Uganda Management Institute
62. Uganda National Bureau of Standards
63. Uganda Police Force
64. Uganda Prisons Service
65. Uganda Revenue Authority
66. Uganda Railways Corporation
67. Uganda Wildlife Authority

CATEGORY II: PARTIALLY COMPLIANT PDEs

1.	Arua Referral Hospital
2.	Capital Markets Authority
3.	Cotton Development Organization
4.	Dairy Development Authority
5.	Gulu University
6.	Hoima Referral Hospital
7.	Inspectorate of Government
8.	Kabale Referral Hospital
9.	Kyambogo University
10.	Lira Referral Hospital
11.	Makerere University
12.	National Council for Higher Education
13.	National Environment Management Authority
14.	Population Secretariat
15.	Road Agency Formation Unit
16.	Uganda Coffee Development Authority
17.	Uganda Electricity Generation Company Ltd
18.	Uganda Export Promotion Board

19.	Uganda Human Rights Commission
20.	Uganda Investment Authority
21.	Uganda National Examinations Board
22.	Uganda Printing & Publishing Corporation
23.	Uganda Property Holdings Ltd

CATEGORY III: NON COMPLIANT PDEs

1. Civil Aviation Authority
2. Management Training and Advisory Centre
3. National Medical Stores
4. National Planning Authority
5. National Social Security Fund
6. Posta Uganda
7. Uganda Tourist Board
8. Uganda Veterans Assistance Board
9. Uganda Wildlife Education Centre

CHAPTER 9: GROUP DISCUSSIONS AND PRESENTATIONS

CAPACITY BUILDING, Mr. Winston Manzi, Procurement Manager, Uganda Electricity Distribution Company Ltd

Capacity Building Strategy emphasises training and sensitisation only

- Equipping and facilitation should be undertaken by MOFPED

Sensitisation of the media and civil society

- PPDA should develop an action plan for this activity
- The scope should be widened and more resources should be availed

Sensitisation for local councils in government – Even before the LGA is out, PPDA should continue and prepare a module on public procurement principles

Staffing

- MOFPED should in 6 months' time review manpower requirements in the various PDUs and cause appropriate staffing action

Qualifications for recruitment of procurement specialists

- Professional qualifications: CIPS or equivalent
- Basic academic qualifications: any good bachelors degree
- Long term experience will be an added advantage and they should be encouraged to attain professional qualifications

Implementation of TOT strategy

- By next review, PPDA should have conducted the TOT
- A Capacity Needs Assessment in all PDEs should be carried out by July 2005. This will then lead into the proposed actions of training needs assessment, training intervention plans, funds mobilisation e.t.c.
- Development of an M&E system for capacity building
- PPDA should have a draft by the next review
- Certification and accreditation system
- This should be in place by next review

CORRUPTION ISSUES IN PUBLIC PROCUREMENT, Mr. Benson Turamye,
Manager, Procurement Audit, Inspections and Investigations, PPDA.

Needs Identification:

- Supplier generated needs as opposed to demand driven
- Creation of need out of personal interest
- Exaggeration of the need (numbers/value) leading to excessive budgetary allocation)
- Commissions

Specifications:

- Tailored specifications
- Ambiguous specifications (leads to no response and therefore single sourcing)
- Over/under specifications
- Deliberate incomplete specifications

Planning and Budgeting:

- Deliberate lack of planning to create emergencies
- Micro procurements,
- Direct procurements
- Splitting of requirements
- Over budgeting

Market Research:

- Biased sourcing of suppliers
- Insufficient publicity

Solicitation of Quotes:

- Preferred suppliers on pre-qualified list
- Misleading information
- Leaking prior information
- Giving insufficient information

Receipt of Bids/Bid Opening

- Receipt of bids out of time
- Disclosure of bid prices
- Alternation of bids after opening
- Misinformation on bid opening time and place

Evaluation:

- Biased evaluation criteria

- Subjectivity in awarding scores
- Allotment of the scores/weights in bid documents
- Desecration of the Evaluation Committee to determine material and non-material deviations
- Unethical behaviour of Evaluation Committee

Award

- Negotiations for kick backs before award
- External interference/influence peddling
- Award not to the best evaluated bidder
- Changes in terms of payment

Contract signing

- Contract signing delays unless there is inducement
- Suppliers vary original specifications

Contract Management

- Contract variations
- Holiday payments
- Waiving penalties
- Certifying incomplete work

Performance Appraisal

- Biased appraisal

HOW TO ADDRESS CORRUPTION ISSUES

- Enforce provisions of the PPDA Law and Regulations by enforcing penalties and sanctions
- Sensitisation of all stakeholders in the procurement process
- Monitoring compliance should be strengthened
- Synergies of different law enforcement bodies e.g. IGG, PPDA, OAG, CID, Parliament and DEI
- Strengthening the procurement professional bodies and enforce punitive measures through the code of ethics.

EFFECTIVE MONITORING OF COMPLIANCE, Mrs. Linda Mugisha-Tumusiime,
Directorate of Ethics and Integrity

Definitions:

Monitoring: tracking progress

Compliance: set of rules, procedures that must be followed as provided for in the Act and Regulations

Effective: doing the procurement in the right way to ensure that the desired objectives of procurement are achieved.

Who should monitor:

- PPDA
- Procuring and Disposing Entities
- Civil Society
- Oversight agencies e.g. IGG, OAG, CID

What should be monitored?

1. Institutional and Regulatory framework:
 - Establishment of Structures (Section 26 of the Act)
 - Are the structures functioning?
 - Are the structures independent of each other?
2. Delegation of procurement processes
3. Participation of the Chief Administrative Officers in procurement
4. Reports and minutes of the Contracts Committees
5. PPDA should ensure 100% compliance of all PDEs by June 2005.

IMPROVING LOCAL GOVERNMENT PROCUREMENT, Mr. David Kiyingi, Ministry of Education and Sports

Institutional Harmonisation:

Tender Boards: These should be replaced by Contracts Committees.

District Contracts Committee:

- Should be composed of public officials.
- The Resident State Attorney should be a member.
- Technical experts should be co-opted on the committee.
- A maximum of 6 years for the committee
- The procurement officer should be the secretary of the committee without voting rights.
- Qualifications of members should be determined by carrying out a capacity needs assessment.
- Chief Finance Officer shall not be appointed to sit on the committee.

Quarterly reports: These should be prepared and forwarded to PPDA and Ministry of Local Government within the specified period using the given format in the Regulations.

Sanctions: Sanctions should be adequately provided for. (PPDA Act should be used).

Issuance of Regulations: PPDA, Ministry of Local Government and Ministry of Finance will agree on whom to issue attendant Regulations.

Community Procurement: This should be regulated by the Chief Administrative Officer.

Amendment to the PPDA Act and Regulations: Areas of amendment should be identified in order to cater for the harmonisation.

Time Frame: Harmonisation should be completed by June 2005.

CHAPTER 10: UNDERTAKINGS FOR THE NEXT PROCUREMENT SECTOR REVIEW, Mr. Edgar Agaba, Ag. Executive Director, PPDA

Progress in implementing the undertakings made at the March 2004 Workshop

The PPDA made good progress in carrying out the actions agreed at the last Workshop in March 2004, particularly in capacity building, where about 60% of targeted staff in central government and statutory bodies have participated in training programmes, and improved reporting, where a three-year corporate plan has been prepared. The PPDA completed a compliance assessment exercise of 100 central government entities in August 2004. 68% of such entities were compliant to the extent of having in place a Contracts Committee and Procurement and Disposal Unit, though not all prescribed practices were observed. All entities have been informed of their compliance status and recommendations for improvement have been made. Further progress in achieving the key objective of harmonising local governments' procurement with the national standard is awaiting legislative amendments to clarify the relationship between the Local Governments Act and the PPDA Act. The audit and investigation programme has been held back by limited staff resources, for which remedial measures are in hand. Details of the progress made on the specific undertakings are given in the table below.

Objective	Undertaking	Progress
g) Harmonisation of Local Governments' Procurement with the National Standard	To promulgate the Local Government (Procurement and Disposal) Regulations by August 2004	Suitable regulations for application to local government have been prepared and are in draft form. However, as a first step, the relationship between the Local Government Act and the PPDA Act should be clarified
	To amend the Local Governments' Act by August 2004	The Ministry of Local Government is preparing draft amendments to the Local Government Act which will shortly be shared with other interested parties. It has been agreed that legislation will be presented to Parliament by May 2005. In the meantime the PPDA is continuing to sensitise local government staff on the national standard
h) Implementation of the Capacity Building Strategy	To implement the Strategy by July 2004	During this financial year over 2,000 staff of central government and statutory bodies participated in training sessions on 7 modules covering the main aspects of the

		new public procurement system
	To train PPDA staff in all the 7 modules of public procurement by November 2004.	The training programme for PPDA staff in the 7 modules was completed
	To deliver a first progress report on the implementation by December 2004	A progress report was delivered at the December 2004 Workshop
i) Audit and Investigation	To complete an audit strategy by October 2004	An audit strategy is being prepared with the help of a consultancy funded by DANIDA
	To gather complaints data for the period April-September 2004 by September 2004	Complaints received are maintained on PPDA's internal records
	To audit 20% of procurements by 8 central government entities by July 2005	The Authority is well on its way to meeting the target of completing audits of 8 central government entities by July 2005. Two audits, of the Ministry of Education and Sport and the Ministry of Water, Lands and Environment have been finalised and the recommendations for improvement agreed with the entities concerned. A further four audits have commenced
j) Reporting	To publish the PPDA's Annual Report for 2003-04 by October 2004	The PPDA's Annual Report for 2003-04 is presently being finalised
	To prepare a 4-year implementation plan based on the Country Procurement Assessment Report 2004 by October 2004	The progress in implementing the recommendations in the Country Procurement Assessment Report of June 2004 has recently been reviewed by a follow-up mission of the World Bank and an implementation schedule is included in the Corporate Plan
	To prepare a PPDA business plan by October 2004	A three-year Corporate Plan that will guide the PPDA's operations and the mobilisation of resources will be finalised by the end of 2004
	To implement a performance	The Procurement Working Group has considered various approaches

	monitoring model, with the results of the first (baseline) assessment discussed at the review and targets for the next review agreed upon, by October 2004	to performance monitoring and evaluation. It has been agreed that the PPDA should develop Uganda's monitoring and evaluation system according to the international standard which is being developed by the Development Assistance Committee of the Organisation for Economic Cooperation and Development in conjunction with the World Bank. Priority will be given to collecting the data required under the PPDA Act and to displaying this data on the PPDA's website
	To agree the aide-memoire among stakeholders by June 2004	Aide-memoire was issued

The following are the formulations of the new undertakings to be implemented by the next review (May 2005)

a) Harmonisation of Local Government Procurement with the National Standard

- 1) There should be an urgent high level meeting between PPDA, MoFPED and MoLG to identify the best way forward on amendments to the Local Government Act and the PPDA Act (January 2005)
- 2) The PPDA Act should be amended to provide that the Secretary to the Contracts Committee should not be a voting member (PPDA, by next review)

b) Capacity Building

- 1) MoFPED should review manpower requirements in the various PDUs and take appropriate action (by next review)
- 2) A progress report should be made at the next review on the establishment of a certification and accreditation system (PPDA, by next review)

c) Compliance Assessment

- 1) All central government PDEs to have fully-functioning Contracts Committees and Procurement and Disposal Units (PPDA, by June 2005)

d) Audit and Investigation

- 1) The auditing strategy should be completed (PPDA, April 2005)
- 2) Plans should be made for a substantial increase in audits (PPDA, April 2005)
- 3) Complaints data should be published (PPDA, by next review)
- 4) Measures to be taken to establish open lines of communication and a collaborative approach between the Auditor General's Office and the PPDA (AG and PPDA, by March 2005)

e) Reporting

- 1) PPDA should have in place arrangements for collecting statutory data for display on the PPDA's website (PPDA, June 2005)
- 2) A plan should be prepared for bringing Uganda's performance monitoring and evaluation system up to the international standard (PPDA, by next review)

f) Other Undertakings

- 1) A paper should be prepared on whether storage should be regulated as an integrated part of the procurement cycle (MoFPED, together with Ministry of Public Service and PPDA, by next review)
- 2) The pre-qualification process should be reviewed (PPDA, by next review)
- 3) A format should be prepared for procurement plans (PPDA, together with the proposed pilot ministries of Works, Education, Health and Water, by next review)
- 4) Plans should be prepared for sensitising the public on corruption and for enhancing civic education (Directorate for Ethics and Integrity, by next review)
- 5) Aide-memoire should be agreed among stakeholders (PPDA, January 2005)

CHAPTER 11: CLOSING REMARKS, Mr. James Kahoza, Chairman, Board of Directors, PPDA

Mr. Chairman,
Diplomats
Ladies and Gentlemen

The Procurement and Disposal reforms which started more than four years ago are now in place as you have heard. The procurement and disposal organs as provided for under the law now exist in nearly all public offices both in government and semi-government institutions. Four years may appear to be a long time but in the view of the Board, the pace of the reforms has in fact been fast if you take in account the time it takes to enact the necessary laws and overcoming entrenched interest in the system of public procurement.

So, as of now all the reforms with regard to the central government are complete and those in the local governments are gathering pace fast, as you have heard. Public Procurement and Disposal Entities in ministries and parastatal bodies do exist except in a handful of entities which are very small. Even in those, efforts are being made to use the very few staff they have to man the units as required by the law. In spite of limited training and experience and interference in some instances, the procurement entities in public offices are surprisingly doing relatively well.

Speaking on behalf of PPDA, which is the regulatory body for procurement and disposal activities in the public services, I want to state briefly what we have done and our assessment of the situation as we see it. We have recruited staff to carry out the necessary regulatory functions. We have trained them and continue to train them. Even though they have been in place for a short time, their performance, in the opinion of the Board, is impressive.

LEGAL AND COMPLIANCE ASSESSMENT

After recruiting staff and training them, PPDA started on Legal and Compliance audits throughout the public service. Even though the procurement and disposal entities are nearly all in place, and these are just over 100, compliance with the law and the regulations is low and in some cases, lacking.

This is not altogether the fault of procurement and disposal entities. It is true that PPDA has not yet issued Standard Bidding Documents which provide guidance in the management of procurement and disposal processes. The Standard Bidding Documents are now with the Solicitor General and will soon be ready for issue. I need however to point out that entities have to pay for them since overall, PPDA will have to print and issue up to 4,000 documents and cannot meet the cost of printing without some form of cost recovery.

The compliance audits however, revealed a lot of negligence in all entities with regard to those actions which are not dependent on the existence of Standard Bidding Documents. Procurement plans do not exist in nearly all cases. Reports to

PPDA are not being compiled and sent, and filing system, record keeping, display of public information were poor. Procurement and disposal Entities need to address these urgently as regulations require.

PROCUREMENT AND DISPOSAL AUDITS

This year, PPDA also started on procurement audits in ministries and we started with the Ministry of Education and Sports and the Ministry of Water, Lands and Environment. In the Ministry of Water, Lands and Environment, 60 contracts were examined. This was a mere sample, the total number of contracts awarded were a lot more than this number. About 52% of these contracts were classified as high risk, meaning that procurement with regard to these contracts had serious weakness that could cause material or financial losses to the State. In the Ministry of Education and Sports, we took a sample of 10 Contracts out of very many. In this case, 80% of the contracts were high risk. I should point out that most of these contracts were given out before procurement reforms actually took place and in many cases, political interference was evident. PPDA has also carried out procurement audits in the Ministry of Health and the Ministry of Agriculture. The findings are still being analysed. Procurement audits in the National Medical stores and Mulago Hospital are currently going on.

TRAINING

Training of all staff managing procurement and disposal activities in public service as well as the providers in the private sector with the help of UNDP has been going on for nearly a year. Soon, we will include standard bidding documents in our training modules and at the end of the day extend training work in local government when these come on board, which we believe will be soon.

LOCAL GOVERNMENT

PPDA has for sometime been working with the Ministry of Local government with the aim of bringing the local governments under the ambit of the Procurement and disposal Act governing procurement and disposal work in the central government. Public Procurement and disposal work in public service is, at a political level, the responsibility of the Minister of Finance. It is important therefore that procurement and disposal work in local governments be governed by the same law which regulates these activities in the Central government. The Board hopes that the government will agree to this arrangement.

CONCLUSION

The purpose of procurement and disposal reform was to reduce bureaucracy, and bring about greater transparency in an area where a large portion of government budget is committed. The question is whether these objectives have been realized. Reduction of bureaucracy is not in question. But have the reforms helped in reducing corruption in the system? The view of the Board is that the reforms have indeed created an environment where abuse of one's office is made more difficult.

Corruption is still going on and will probably go on for sometime to come. Some sections of the civil society sometimes fail to look at the bigger picture with regard to corruption. Creation of institutions is not enough to substantially reduce corruption. The quality of the people matters even more. Those who hold public offices avoid abusing those offices if they know that someone will at the end of the day hold them to account. This is the case in every country, in every society. An illiterate population is incapable of holding its public officials to account and those officials know it very well. This is the problem not just for Uganda, but the African Continent and in fact all developing countries.

Lastly, I want to thank the Government of the Kingdom of Netherlands which partly finances a lot of our activities including this meeting, the UNDP in the area of training and the World Bank which at all times offers us material and moral support.

Thank you Ladies and Gentlemen

ANNEXES

**ANNEX A: PROGRAMME FOR THE PROCUREMENT SECTOR
REVIEW WORKSHOP**

DAY I: 7th DECEMBER 2004

TIME	ACTIVITY	BY
8:30 – 9:00 a.m.	Registration	PPDA Staff
9:00 – 9:20 a.m.	Opening Remarks: Progress of the Aide Memoire Benchmarks	Mr. Edgar Agaba, Ag. Executive Director, PPDA
9:20 – 9:40 a.m.	Implementation of CPAR Recommendations	Mr. Rogati Kayani, Lead Procurement Specialist, The World Bank
9:40 – 10:30 a.m.	Discussions	Chairperson: Mr. Harman Idema
10:30 – 11: 00 a.m.	COFFEE/TEA BREAK	
11:00 – 11:20 a.m.	Development of the Procurement Audit Strategy	Mr. Julius Mulera, Director, Procurement Audit, Inspection and Investigations, PPDA
11:20 – 11:40 a.m.	Progress in the implementation of the Capacity Building Strategy	Mr. Milton Tumutegyereize, Director, Training and Capacity Building, PPDA
11:40 – 12:45 p.m.	Discussions	Chairperson: Mr. Harman Idema
12:45 – 2:00 p.m.	LUNCH	
2:00 – 2:20 p.m.	Fighting Corruption Effectively-The Hong Kong Experience	Mr. Nigel Shipman, Technical Advisor, PPDA
2:20: - 2:40 p.m.	Uganda's National Anti- Corruption Strategy	Mr. Paul Beggan, Governance Advisor Directorate of Ethics and Integrity
3:00 – 3:30 p.m.	COFFEE/TEA BREAK	
3:30 – 5:00 p.m.	Discussions	Chairperson: Dr. Paul Sagala

DAY II: 8th DECEMBER 2004

TIME	ACTIVITY	BY
9:00 – 9:30 a.m.	Proposed Amendments to the Local Governments Act, 1997 (Procurement Sector)	Mr. Patrick Mutabwire, Commissioner, Local Government Councils, Ministry of Local Government
9:30 – 10:30 a.m.	Discussions	Chairperson: Mr. Edgar Agaba
10:30 – 11: 00 a.m.	COFFEE/TEA BREAK	
11:00 – 11:30 a.m.	Level of compliance by PDEs to the Procurement Reforms and Issues Arising	Mrs. Cornelia Kakooza Sabiiti, Manager, Legal and Compliance, PPDA
11:30 – 12:45 p.m.	Discussions	Chairperson: Mr. Richard Olowo
12:45 – 2:00 p.m.	LUNCH	
2:00 – 3:30 p.m.	BREAK AWAY SESSIONS: <ul style="list-style-type: none"> • Capacity Building • Corruption Issues in Public Procurement • Effective Monitoring of Compliance • Improving Local Government Procurement 	Chairpersons Mr. Winston Manzi Mr. Silver Kangaho Mrs. Linda Mugisha-Tumusiime Mr. David Kiyingi
3:30 – 4:30 p.m.	Group Presentations to the Plenary: Major findings, Recommendations and Way Forward	Session Coordinators
4:30 – 5:00 p.m.	Formulation of Undertakings for the next Procurement Sector Review	Ag. Executive Director, PPDA
5:00 – 5:30 p.m.	Closing Remarks	Chairman, PPDA Board
6:00 – 8:00 p.m.	COCKTAIL	
		Kindly Funded by Royal Netherlands Embassy

ANNEX B: REGISTER OF PARTICIPANTS AND CONTACT DETAILS

NO	NAME	NAME OF ORGANISATION	DESIGNATION	TEL/E-MAIL CONTACT
PPDA Board Members				
1.	James Kahoza	PPDA	Chairman, Board of Directors	220276
2.	Joseph Mukasa	PPDA	Board Member	077-451685 ugasolar@infocom.co.ug
3.	Ms. Sarah Lubega	PPDA	Board Member	077-664492
4.	Mr. J.B.O. Wabwire	PPDA	Board Member	078-451704
5.	David Kabateraine	PPDA	Board Member	077-418854/041-707151
6.	Edgar Agaba	PPDA	Ag. Executive Director	031-261231/2
Donors				
7.	Rogati Kayani	World Bank	Procurement Specialist	rkayani@worldbank.org
8.	Jackline Okiria	World Bank	Accounting Analyst	077-587268
9.	Richard Olowo	World Bank	Procurement Specialist	041-302266
10.	Charles Oleja	African Development Bank	Administrative Officer	078-405658 oleja-charles@yahoo.com
11.	Harman Idema	Netherlands Embassy		
12.	Charles Drazu	Netherlands Embassy	Local Governments	077-949479
13.	Solomon Ossiya	DANIDA	Programme Co-ordinator	077-749311
14.	Francis Lemoine	European Union	Programme Officer	Francis.lemoine@cec.en.nt
Ministries				
15.	Balaam Nabuyaka	Ministry of Gender, Labour and Social Development	Head of Procumbent and Disposal Unit	077-516406
16.	Samson Bagonza	Ministry of Works, Housing and Communications	Engineer-in-Chief	077-483712
17.	Robert Rwanga	Ministry of Works, Housing and Communications	Secretary Contracts Committee	077-457605
18.	Phillip W. Mangeni	Ministry of Finance, Planning and Economic Development	Commissioner	077-408064
19.	Robert Muwanga	EFMP II - Ministry of Finance,	Project Co-ordinator	041-347804

		Planning and Economic Development		
20.	Dan Mwanje Mambule	EFMP II - Ministry of Finance, Planning and Economic Development	Monitoring and Evaluation Officer	041-707902
21.	Patrick Mutabwire	Ministry of Local Government	Commissioner, Local Councils Development	077-479222
22.	Andrew Aribaraho	Ministry of Local Government	Senior Procurement Officer	077-425228
23.	Samuel Komunda	Ministry of Internal Affairs	Principal Assistant Secretary	077-645634
24.	Anne F. Luziraa	Ministry of Water, Lands and Environment	Under Secretary	077-469719
25.	Crescent Muhumuza	Ministry of Water, Lands and Environment	Principal Procurement Officer	078-430255
26.	Alex Muheirwe	Ministry of Energy and Mineral Development	Procurement Officer	077-989586
27.	Kiyingi David	Ministry of Education and Sports	Principal Procurement Officer	077-433230
28.	Kiwanuka R.	Ministry of Internal Affairs	Senior Procurement Officer	077-694033
29.	Judith Akugizibwe	Ministry of Internal Affairs	Procurement Officer	075-483011
30.	Mutamba J.	Ministry of Foreign Affairs	Senior Procurement Officer	077-360286
31.	Lutimba Kyeyune	Ministry of Tourism, Trade and Industry	Senior Procurement Officer	071-221179
32.	Serugo Patrick	Ministry of Defence	Ag. Head, Procurement and Disposal Unit	077-482900
33.	Francis Ntalazi	Public Service Commission	Ag. Commissioner	075-659208
Statutory Bodies				
34.	Andrew Opolot	Civil Aviation Authority	Corporate Secretary/Legal Counsel	071-777516 aopolot@caa.co.ug
35.	Dennis Katwijukye	Civil Aviation Authority	Manager, Administration and Supplies	dkatwijukye@caa.co.ug
36.	Ronald Kyayonka	National Agricultural Advisory	Procurement Officer	071-618888

		Services		
37.	Henry Obbo	Uganda Wildlife Authority	Head of Procumbent and Disposal Unit	077-690729
38.	Davis Ampwera	Uganda National Bureau of Standards	Head, Finance and Administration	075-467379
39.	Silver Oyet	Uganda Revenue Authority	Chairman, Contracts Committee	077-682729 soyet@ura.go.ug
40.	Norbert Tumwesigye	Uganda Coffee Development Authority	Head of Procumbent and Disposal Unit	077-441619
41.	Abraham Nkata	National Water and Sewerage Corporation	Manager Procurement	077-396032
42.	C.M.D. Mutalya	Uganda Communications Commission	Head of Procumbent and Disposal Unit	031-339006
43.	Robert Boorekwa	Electoral Commission	Head of Procumbent and Disposal Unit	077-470315
Private Sector/Providers				
44.	Anne Rwego	PriceWaterhouseCoopersLtd	Consultant	041-233743
45.	Charles Mubbale	Transparency Uganda	Programme Manager	077-488604
46.	Paul Sagala	Uganda Association of Consulting Engineers	Consultant	psagala@utlonline.co.ug 077-710346
47.	Godfrey Songa	Architects Registration Board	Board Member	077-501091 gsonga@yahoo.com
48.	Winston Manzi	Chartered Institute of Purchasing and Supplies	President	077-431662
49.	Francis Kisirunga	Private Sector Foundation Uganda	PA	077-438539
50.	Caroline Healey	Crown Agents	Managing Director	077-755706 caroline.healey@crownagents-ug.com
51.	Itanda Ga-Katsikano	Centre For Procurement	Consultant	077-613527

		Management		
52.	James K. Kiyonga	International Procurement Consultants	Lead Consultant	077-565815
53.	Irene Shirley Kwaga	International Law Institute		077-647361
54.	Elias B.	Monitor		rwampara@hotmail.com
55.	Edris Kisambira	East African Procurement News		077-425294
56.	Daniel Karibwije	East African Procurement News		071-700579
57.	M. Sseppuya	New Vision		071-805375
Oversight Agencies				
58.	Silver Kangaho	Inspectorate of Government	Director Operations	041-347388
59.	Denis Odongkara	Directorate of Public Prosecutions	Member, Contracts Committee	077-442924
60.	Angela M.T. Bafokuzara	Directorate of Ethics & Integrity	DD/EE	angela_baf@yahoo.com
61.	Linda M. Tumusiime	Directorate of Ethics & Integrity	Ag. Director Legal	077-484247
62.	Kamukugize S.	Criminal Investigations Department	Police Officer	075-626344
63.	Ogentho Paul Maxwell	Office of the Auditor General	Senior Principal Auditor	077-516296
Local Governments				
64.	J. Kiiza Amooti	Urban Authorities Association Uganda	Programme Officer	078-439725
65.	Simon Kiyuba	Mukono District Administration	For: Chief Administrative Officer	075-624065
66.	Kenneth K. Waniaye	Mbale District Local Government	Chief Administrative Officer	077-493345
PPDA Staff				
67.	Nigel Shipman	PPDA	Technical Advisor	078-528608 nshipman@ppda.go.ug
68.	Julius Mulera	PPDA	Director, Procurement Audit, Inspections and Investigations	031-261231/2
69.	Mary P. Sozi	PPDA	Director, Finance and Administration	mpsozi@ppda.go.ug
70.	Milton Tumutegyereize	PPDA	Director, Training and Capacity	milton@ppda.go.ug

			Building	
71.	Godfrey Kakira	PPDA	Manager, Training and Capacity Building	gkakira@ppda.go.ug
72.	Paul Kintu	PPDA	Manager, Training and Capacity Building	077-740189
73.	Marvin Baryaruha	PPDA	Manager, Legal and Compliance	077-507699
74.	Cornelia K. Sabiiti	PPDA	Manager, Legal and Compliance	077-508249
75.	Aloysius Byaruhanga	PPDA	Manager, Procurement Audit, Inspections and Investigations	077-583791
76.	Benson Turamye	PPDA	Manager, Procurement Audit, Inspections and Investigations	bturamye@ppda.go.ug
77.	Ruth Nakitto	PPDA	Manager, Internal Audit	031-261231/2
78.	Richard Ebong	PPDA	National Procurement Expert	077-696161
79.	Brenda Atuhairwe	PPDA	Officer, Training and Capacity Building	batuhairwe@ppda.go.ug
80.	Hilda K. Mwesigwa	PPDA	Officer, Legal and Compliance	077-448936
81.	Madinah Kabagenyi	PPDA	Officer, Legal and Compliance	077-306584
82.	Joseph Etiang	PPDA	Internal Auditor	031-266321
83.	Lawrence Tumuhairwe	PPDA	Officer, Procurement Audit, Inspections and Investigations	077-965192
84.	William Mayanja	PPDA	Officer, Procurement Audit, Inspections and Investigations	071-848536
85.	Brenda Walusimbi	PPDA	Library and Documentation Officer	077-361318
86.	Jenipher Kaggwa	PPDA	Database Clerk	077-693666
87.	Deborah K. Bamwesigye	PPDA	Assistant Administrative Officer	077-657692
88.	Sam Kiviri	PPDA	Accounts Assistant	077-425036
89.	John Ndyanabo	PPDA	Procurement Audit, Inspections and Investigations	077-910794
90.	Bwanika Lugemwa	PPDA	Training and Capacity Building	077-329432
91.	Patrick Ssenono	PPDA	Legal and Compliance	077-521662
92.	Leonard Lubyayi	PPDA	Finance and Administration	075-515577

